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THURSDAY, NOVEMBER 27, 1947

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Insurance Company of North America Indemnity Insurance Company of North America Philadelphia Fire and Marine Insurance Company The Alliance Insurance Company of Philadelphia

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Record Crowd at Maryland Agents Convention

Association Business, Rates and Speakers Feature Baltimore Session

By KENNETH FORCE

BALTIMORE-A record registration of more than 350, the successful transaction of some important association's business, and an impressive program of speakers marked the annual convention

here of Maryland Assn. of Insurance Agents. The or-ganization has grown steadily more vigorous and useful in recent years and today is one of the best of the state associa-tions though its area and population are comparatively small.

The convention adopted a resolu-

tion that counter-signature fees are earned when executed and should be deducted from the company account current each month. The matter will be taken up with the com-

Another resolution calls for discussion of writing truck risks with the com-This was referred to the assoiation conference committee to fol-

A third resolution was almost unanimously turned down. This proposed an amendment to the insurance law to provide for 50% countersignature commissions. Guy T. Warfield, Jr., Balti-

NEW OFFICERS ELECTED

President-J. Vernon Coblentz, Fred-Executive Vice-president-E. Albert Ross-

mann, Baltimore. Chairman—Alva P. Weaver, Jr., Balti-

State national director-H. Merrill Wal-

ters, Pocomoke City.
Secretary—Hubert P. Burdette, Mt. Airy.
Treasurer—Frank Shramek, Baltimore. Executive secretary-George S. Robert-

more, vigorously opposed it. When agents legislate commissions they then have no right of contract on the subject, he said. The effect of such a law is to funnel countersignature fees into the big cities. Anyway, he added, it probably would be held to restrain the free flow of commerce from state to state.

state.

J. Vernon Coblentz of Frederick, the new president, entered the business in 1919, traveling for People's Fire of Frederick six years. The company was merged with Fire Assn. In 1925 he purchased an agency at Frederick and has operated it continuously since, under his own name. He is a charter member of the Maryland association and after several years' service as vice-president for his district and on various committees, he was elected secretary last year.

District vice-presidents elected are T. N. Potts, Jr., Salisbury; J. R. Rumsburg, Frederick; E. S. Windsor, Baltimore; C. C. Slayton, Annapolis; H. N.

Perfect Time Table for Florida N.A.I.C. Rally

MIAMI BEACH—Gov, Millard F. Caldwell and U. S. Senator S. L. Holland will be featured speakers at the convention of National Assn. of Insurance Commissioners here Dec. 7-11.

Early arrivals have been invited to attend the dedication of Everglades National Park Dec. 6.

Gen. Phillip B. Fleming, chairman of the President's Conference on Fire Prevention, will address a luncheon Dec. 9.

The detailed program follows:

The detailed program follows:

Saturday, Dec. 6

Morning — Dedication of Everglades
National Park, Everglades City.
Evening—Florida A. & M. vs. Virginia
Union, Orange Blossom championship.

Sunday, Dec. 7
Afternoon—Executive committee meeting, Forbes, Michigan, chairman.
Report central office supervision sub-

Evening—Get Acquainted Party, Fla-mingo Gardens; buffet supper, water show.

Monday, Dec. 8
9 a.m.—Joint meeting of rates and rating organizations committee and committee on federal legislation, Harrington, Massachusetts, chairman, Ball

Coom.

-Consideration of the matter of implementing rate regulatory statutes.

-Coordination of supervisory activities under various rating laws.

-Uniform interpretation of the standard of rate making.

-Uniform interpretation of the standard of rate making.

-Question of future rating forums.

-Invocation by Dr. Royal Page, Euclid Methodist Church, St. Petersburg; addresses of welcome—E. L. Phillips,

German, Easton; E. A. Kendall, Cumberland; and C. R. Aldridge, West-

minster.
Directors are R. G. Bittle, Baltimore; B. B. Kane, Chestertown; F. M. Chandler, Baltimore; E. E. Gloyd, Gaithersburg; M. D. Reinhart, Cumberland, and S. G. Kilmer, Baltimore.
The new rule book covering the procedure of writing fire insurance in Maryland is an outstanding piece of work by agents and companies. Under

work by agents and companies. the constitution and by-laws of the Maryland Fire Underwriters Rating Bureau, the rules are to be the joint prod-uct of insurers and agents, and after many conferences and much labor on both sides the rule book is ready to be printed. It should be in agents' hands around Jan. 1.

The joint method of creating rules and forms is expected to establish a precedent and possibly pattern for other states under rate regulation.

93% Agreement

H. Merrill Walters, Pocomoke City, chairman of the advisory committee, said delay in getting the book out was not the fault of companies but of agents, who wanted to study the rules, make changes and offer new ones. The sub-committee of the advisory committee recently completed a final draft and sub-mitted it to the companies. The latter immediately approved 93% of the book.

immediately approved 93% of the book. The subcommittee has done an outstanding piece of work for the association, Mr. Walters declared.

W. Avery Hall, Salisbury, proposed a motion, which was passed, that the advisory committee prepare a letter to reach agents of the state about the same time as does the rule book, explaining the part the association played in creation and giving credit to those on the committee and subcommittee who committee and subcommittee who

the committee and subcommittee who worked on it.

It has been suggested that penalties not be invoked for 60 to 90 days after issue of the book, to give agents time to get acquainted with it.

The association voted to raise \$4,500 aside from the previous scale of dues, to meet its quota for the National as-

to meet its quota for the National as-(CONTINUED ON PAGE 8)

Gulf Life, general chairman; J. Edwin Larson, host commissioner; response, Dineen, New York; roll call and introduction of new commissioners; president's address; report of secretary, Hodges, North Carolina.

Noon-Men's luncheon, Laurence F. Lee, Peninsular Life, presiding; Senator Holland, guest speaker. Ladies' luncheon, LaGorce Country Club; fashion show and vaudeville.

2 p.m.—Standard non-forfeiture and valuation laws sub-committee, Russell O. Hooker, Connecticut, chairman.

2 p.m.—Taxation committee, Carlson, Utah, chairman.

3:30 p.m.—Blanks committee, Walter A. Robinson, Ohio, chairman.

4 p.m.—Interstate rating committee, Forbes, chairman. Writing of interstate risks by fire insurance companies.

4 p.m.—Uniform accounting committee, Gibs, Texas, chairman.

Evening—Banquet, Gov. Caldwell, guest speaker.

guest speaker.

Tuesday, Dec. 8

9 a.m.—Life committee, Allyn, Connecticut, chairman.
9 a.m. — Social security committee, Benjamin, South Carolina, chairman.
10 a.m.—A. & H. committee, Knowlton, New Hampshire, chairman.

—Uniform A. & H. regulatory law, including revised standard provisions.

—Reporting of loss experience by policy forms.

—Retroactive effect of the official guide.
10 a.m.—Casualty & surety committee, Bowles, Virginia, chairman.
11 a.m.—Plenary session.
Noon — Men's luncheon, Walter L. Hays, American Fire & Casualty, presiding; General Fleming, guest speaker.
2 p.m.—Examinations committee, Johnson, Minnesota, chairman. Report on convention examinations called; chairman's financial report; convention examination procedure; examination of companies under same management or ownership, or when involving full reinsurance.

2 p.m.—Fire & marine committee.

insurance.

2 p.m.—Fire & marine committee.
White, Mississippi, chairman—Report of
sub-committee on the 1921 formula; inland marine rating bureau.
3 p.m.—Fraternal committee, Sullivan,

3 p.m.—Fraternal committee, Sullivan,
Washington, chairman.
3 p.m.—Laws & legislation committee,
Butler, Texas, chairman.
—Ralsing the standards of the insurance departments.
—Qualification law for life insurance agents.

agents.

Commissioners' uniform bill concerning companies doing business through the mails in states in which they are not admitted.

Registration of securities in the name of a nominee.

Registration of securities in the name of a nominee.

Study conditions looking toward recommendations for relieving the situation of motor transportation industry by reason of its inability to obtain insurance coverage.

4 p.m.—Workmen's compensation committee, Gibbs, Texas, chairman.

Report of special actuarial sub-committee, and council special committee on "Study of Graduation of Expenses by Size of Risk."

—Continuation of discussion of "Workmen's Compensation Premium Basis."

4 p.m.—Multiple coverage committee, Harrington, Massachusetts, chairman—Report of the industry committee on multiple lines; relationship of total business written by a company to policyholders' surplus.

Afternoon—For ladies, boat sightseeing trip around canals and islands.

Evening—Pamunkey Tribe of Real Indians annual meeting and ceremonial.

Evening—Famunkey Tribe of Real Indians annual meeting and ceremonial.

Wednesday, Dec. 11

9 a.m.—Fire prevention committee, Mc-Kensie, Arkansas, Chairman—Discussion of progress made in other states that have held state-wide fire prevention conferences; encouragement of states that have not held fire prevention conferences to become interested.

9 a.m.—Real estate committee, Pearson, Indiana, chairman.

10 a.m.—Valuation securities committee, Dineen, New York, chairman.

—Valuation of preferred stocks privately purchased.

—Valuation of insurance companies capital stocks.

—Valuation of U. S. Treasury Bonds, investment series "A"—1965.

—Foreign exchange rates.

—Computation of amortized values on foreign bonds.

—Computation of values on foreign securities not cligible for amortisation.

10 a.m.—Interstate rating committee.

Forbes, Michigan, chairman—Writing of interstate risks by casualty companies.

11 a.m.—Plenary session.

Afternoon—Horse racing, goif, swimming, boat sightseeing trip, land sightseeing trip, deep sea fishing, tennis.

Thursday, Dec. 11

10 a.m.—Final business session.

President of **Kentucky Agents Accident Prevention**

Barnes Reelected

Stressed at Annual Meet at Louisville

By JAMES C. O'CONNOR

A record breaking turnout, a report of record breaking membership, a program which won the applause of everybody and entertainment features which everyone enjoyed made the annual meet-





ing of Kentucky Assn. of Insurance Agents at Louisville last week a decidedly pleasant affair. Although the universal perturbation of agents over the commission situation could not be avoided, it did not pervade the atmosphere to the same extent as at many other agents' meetings this fall. The general tone was one of pleasure over work well done, pride over one of the association's most outstanding members, Norman A. Chrisman, Pikeville, elected to the executive committee of National Assn. of Insurance Agents and determination to push the Kentucky association and its

NEW OFFICERS ELECTED

President-Sheridan C. Barnes, Elizabeth-

First vice-president—J. E. Fall, Jr., Fulton. Second vice-president—Clark Gillespie,

Franklin. State national director-Norman A. Chrisman, Pikeville.

accomplishments still farther.

The Kentucky agents were particularly impressed with the address of H. R. Danford, New York, director of education National Conservation Bureau, on traffic accident prevention. A resolution solidly backed the program of this organization and urged the establishment of a division of safety educalishment of a division of safety educa-tion within the state department of education. There was no specific reference to commissions in the resolution, al-though one resolution pledged full support of the Kentucky agents to the resolutions of N.A.I.A. at the Atlantic City meeting, which included a request for delay of any action until the National association's survey of agency

costs is completed.

George E. Burks, Louisville, first vicepresident and heir apparent, was unable, for personal reasons, to accept the presidency. The Kentucky agents voted unanimously to suspend their rule against a president serving two consecutive terms and prevailed upon the popular Sheridan C. Barnes, Elizabethtown, to accept the office for another year in (CONTINUED ON PAGE 7)

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Dineen Applauds Home's New Controls and Studies

NEW YORK — Superintendent Dineen of New York has issued a statement in connection with certain criticisms of Home which were made in the iennial examination report last year. In substance, the statement by Mr.

Dineen is an expression of satisfaction that the company in good faith has made either full or substantial compliance with the points raised by the examiners. He states that with the exception of certain long range studies, no further action is necessary so far as he is concerned. As to the long range studies, the company has agreed to inaugurate them, and these will be followed through.

Gets Fullest Cooperation

The department has received the fullest cooperation from the management of Home, Mr. Dineen states, from the special committee of the board and from the directors. The steps actually taken and those projected are evidence of the directive of the steps. disposition of the management and directors to deal with the problems effectively and realistically "and should operate to maintain public confidence in the company and in the insurance business generally." disposition of the management and

ness generally."

Several pages of Mr. Dineen's statement are devoted to the welfare fund of the company and the inability of examiners to determine how \$75,000 of the fund was spent by former President Wilfred Kurth because his records had been destroyed. "We have been at a contract of the president wild be a provident of the president wild be a provident of the president of the president wild be a provident of the president o pains to avoid any intimation or sugges-tion that the funds were used for an improper or wasteful purpose," Mr. improper or wasteful purpose," Mr. Dineen states. "Our point is that it would not be necessary to indulge in surmise upon this proposition if the proper records had been maintained."

Department Is Satisfied

President H. V. Smith's handling of the fund differed from that of Mr. Kurth, Mr. Dincen states. Even though he maintained the fund in a personal bank account prior to 1941 and did not submit cancelled checks in connection with the 1935-39 examination, he did maintain a memorandum account of the sums advanced to him. The fund was audited from 1941 to 1945 and in practically all cases it has been possible to secure supporting evidence from the recipients of the money. The department cipients of the money. The department is satisfied with this disposition of that phase of the problem, according to Mr. Dineen.

Payments were made from the fund, according to officers of the company, to certain officers and employes, and to cercertain officers and employes, and to certain employes in distress, in the form of gifts or loans, through a committee established for that purpose. The criticism of the department was that the fund was placed at the disposal of a single officer. The problem of devising a long range solution with respect to the problems of emergency needs among personnel has received the attention of the management and the directors. The management and the directors. welfare fund was abolished Jan. 14, 1946, and a committee on employe relation-ships and related subjects appointed by the board. A study is being made of personnel matters, including salaries, compensation, pension plans and related

Home has done several things in this regard, including the adoption of a group life plan underwritten by Metropolitan Life, by the later addition of hospital expense insurance, and other

Company Does More Than Enough

The department feels that the management and directors have eliminated the conditions which gave rise to the examiners' criticisms "and in fact have gone beyond in an effort to produce a result satisfactory to all concerned."

The statement takes up the matter of the \$2,000 per month expense allowance to President Smith, beginning in 1941. Mr. Dineen explains that his interest

was the possible tax liability of the company in connection with the pay-

Since no finding was made by either state or federal tax departments that Mr. Smith had attempted to defraud the government or willfully evaded the payment of taxes, the insurance department confines its interest in the matter to the fact that upon the recalculation of the tax liability Mr. Smith paid the additional amount assessed, thereby eliminating any potential liability on the of the company.

Mr. Dineen comments that the diffi-culties encountered by Mr. Smith illus-trate the necessity for company officers to maintain, for their own protection and that of their companies, accurate and painstaking records of expenditures incurred by them on the business of their companies.

The payment of anticipated expenses in cash in the form of a lump sum allowance is undesirable in the insurance business because it makes it difficult if not impossible for the regulatory authorities to conduct proper audits of the expenditures, Mr. Dineen states. The observation also is pertinent with respect to internal audits conducted by management for its own guidance.

As a fire company, Home is a member of rating bureaus across the country "which are in reality price fixing combinations," Mr. Dineen goes on. Under state rating laws these bureaus are subject to regulation in practically every state calling for rates that are not averaged. state, calling for rates that are not excessive, inadequate or unfairly discrim-Rate regulatory authorities must consider past and prospective expenses of the companies as well as loss experience. Consequently these laws obligate insurance supervisors to consider the reasonableness of companies' expenditures since they are passed on to the public in the form of rates.

What Is Reasonable?

The department appreciates it is sometimes difficult to determine what constitutes a reasonable expenditure. It would depend upon the facts, Mr. Dineen states. What might be a reasonable expenditure for a very large company might be an extravagant one for a small company.

"The department is disposed to

"The department is disposed to give companies operating under its jurisdic-tion the widest managerial latitude consistent with public interest. It is not disposed to substitute its judgment for that of management as to what consti-tute reasonable expenditures, yet it will not hesitate to intervene where expenditures are improper or unnecessary. But the first requisite of determining the reasonableness and propriety of expend-itures is an adequate system of vouchers whereby the nature and purpose of the various expenditures can be appraised."

Mr. Dineen thinks uniform accounting

Mr. Dineen thinks uniform accounting will bring about proper segregation of expenses according to predetermined classifications and this should lead to greater facility in evaluating the purposes for which expenditures are made and their reasonableness in relation to the activities of a given company.

Home is now considering an improved method of dealing with expense accounts for all officers, including the president, and this "will be submitted to the department for scrutiny before it is finally submitted to the board for adoption." The plan contemplates adherence to the new voucher law in New York and will be tied in with a newly created committee on audit appointed by Home directors and with the over-all checkup of disbursements by the comp-Home directors and with the over-all checkup of disbursements by the comptroller, a newly created office, who is accountable to the directors. The actions already taken and those projected are satisfactory to the department and indicate a desire upon the part of Home's management and directors to handle this phase of the company's ac-(CONTINUED ON PAGE 9)

Ohio Agents Bare Teeth on Cut in Commissions

Cincinnati and Cleveland agents have taken up with the Ohio insurance de-partment the matter of fire insurance commission reductions. Superintendent commission reductions. Superintendent Shield thereupon summoned to Columbus certain officials of Western Underwriters Assn. for a conference, and the latter, it is believed outlined to Mr. Shield the W.U.A. program of an advisory nature for commission reduction in excepted cities. in excepted cities

Ohio Assn. of Insurance Agents trus-tees held a special meeting at Granville and decided they would throw their weight behind the fight. They brought the matter up with Shield and he then called the W.U.A. leaders in. Cincinnati Fire Underwriters Assn. has retained Robert N. Gorman, a well-known attorney there, to represent it in

known attorney there, to represent it in any future rate litigation.

any future rate litigation.

Much reference is heard in agency circles to the Ohio anti-compact law.

Also there is conjecture as to whether

a case might be developed on the theory of destruction of property rights.

Mr. Shield said he had a talk with W.U.A. officials and they deny any agreement as to commissions and any violation of the anti-compact law

North America Discontinues Writing Race Horse Mortality

North America effective Dec. 1 will discontinue writing mortality on race and steeplechase horses. It will continue taking show horses and other like classifications.

Race horse mortality has generally accommodation writers have been vexed with the problem of owners who want a return on their investment when the horse is out of commission as a racer, but not necessarily done as a horse. A most recent example is the swamp fever epidemic in Rockingham, N. H., when the owners wanted to destroy the horses, but the companies refused on the ground that the disease is not necessarily fatal.

Giddings, Macdonald and Ives Agency Supervisors

Arthur E. Giddings and Arthur M.

Arthur E. Giddings and Arthur M. Ives have been promoted to agency supervisors in the southern department of Aetna Fire, and James M. Macdonald has been promoted to agency supervisor in the reporting cover department. Mr. Giddings was in the life insurance business 12 years before joining Aetna in 1920 in the audit department. From 1925 to 1933 he was a special agent first at Raleigh and then in Alabama. He then returned to the home bama. He then returned to the home office as an examiner, and lately has

been Louisiana examiner,
Mr. Ives served in the navy in the
first war and joined Aetna in 1924. Since 1928 he has been an examiner.

Mr. Macdonald joined Aetna in 1922

and has been in the reporting cover de-partment since 1938. He attended Car-negie Institute of Technology.

Minn. Commissioner

Armand W. Harris, the new insur-ance commissioner of Minnesota. He is a past president of the Minnesota Assn. of Insurance Agents.



See New Headaches Din in Tenant Fire Liability Cover

The problem of providing fire legal liability insurance for tenants in respect of property within their care, custody or control, some brokers fear, will be magnified under rate regulation. They opine that it will be impossible for insurance that it will be impossible for insurance to the first them. ers to make filings that are sufficiently flexible to be adaptable to the variety of terms that are found in lease agree-

ments.

Presently the fire companies generally insist on getting the full fire rate for such cover. Hence most brokers submit the proposition to casualty companies and ask them at what percentage of the fire rate would they delete the exclusion in their property damage liability contract of property in the care, custody and control of the tenant. Such cover can usually be procured from casualty insurers at a cost of less than the full insurers at a cost of less than the full. insurers at a cost of less than the full fire rate. Brokers fear that under rate regulation fire companies will provide even less of a market for this insurance than they have in the past because of in-flexibility of rate filings and they also fear that casualty company quotations will be less flexible.

There is an increasing demand for

such insurance as well as for insurance covering the liability due to fire to property not under the care, custody and control of the assured, because of the increasing emphasis being given by fire insurers to subrogation.

The rate for care, custody and control

cover varies according to the terms of the lease agreement.

the lease agreement.

Some leases make the tenant responsible to make repairs and return the property in its original condition with

Then there are leases making the tenant liable for certain hazards except those of the elements—one question between the tenant liable for certain hazards except those of the elements—one question between the tenant liable for the tenant liab ing whether fire in general or fire at-tributable to the negligence of the ten-ant is an "element".

Then there are leases that are silent on the point. Here the tenant has no contractual liability but he is liable for common negligence.

There is an undercurrent of complaint that the fire companies, by their stem subrogation policy, are creating a de-mand and need for insurance which they are not readily supplying.

Work on Draft of Proposed Insurance Code for La.

NEW ORLEANS-Wade O. Martin NEW ORLEANS—wade O. Marun Jr., secretary of state of Louisiana, and the staff of his insurance department, are engaged in the preparation of a proposed insurance code to be submitted proposed insurance code to be submitted to the 1948 legislature in accordance with the provisions of act 211 of 1946. It is Mr. Martin's purpose to prepare this code and have public hearings early in 1948, before its introduction and submission to the legislature.

G. F. Purvis, Jr., deputy insurance commissioner, states that the department has already solicited from all interested parties any suggestions which they might have with respect to the

they might have with respect to the contents of the new code.

Considerable assistance is being given by the Chicago law firm of Ekern, by the Chicago law firm of Meyers & Matthias.

Clement Addresses Buyers

Speaking before the Midwest Insurance Buyers Assn. at Chicago, W. Winthrop Clement, executive vice-president of the National Assn. of Insurance Brokers, charged that cost accounting on a business-like basis has never been practiced by the insurance industry existing. in badly bungled rating procedure. He said insurance buyers have a definite interest in the study of insurance account ing now being carried out by the New York department.

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aches Dineen Outlines His Philosophy of Supervision

BALTIMORE—"We don't want the Department of Justice to step in at the end of the moratorium next year and find practices that will reflect on agents, companies and the state insurance de-partment," Robert E. Dineen, New York insurance superintendent, said in his talk, which opened the convention of Maryland Assn. of Insurance Agents

here.
More than 400 attended. At the head table were Presidents W. T. Harper, Jr., of Maryland Casualty; D. C. Handy of American Bonding; J. A. Newlson of New Amsterdam Casualty; E. Asbury Davis, U. S. F. & G.; Frank Bach, Fidelity & Deposit, and Harry F. Ogden of Fidelity & Guaranty; and Agents Guy T. Warfield, Jr., Frank Shramek, Carroll Crawford, H. M. Walters, and Alvah P. Weavler, Jr., association president.

Wouldn't Need U. S. Attention

Mr. Dineen was in a frank and friendly mood, and he made a big hit. He suggested that it is only one step from iederal supervision to federal operation, and every agent and company executive should recognize his individual respon-sibility for so conducting the business that there will be no possible need of iederal intervention.

He pointed to some of the practices

in the business that he is trying to cor-rect, and he wondered if the limitation of agency rule is legal. He also indi-cated that the expense factor must be taken into consideration in arriving at

rates. The The job of an insurance superintendent, he said, is to see that the business does a good job.

The department is installing IBM ma-

The department is installing 11BM machines in the licensing division in Albany, he said. Formerly when an agent was licensed by a number of companies, the agent's name appeared on the department's book that many times. The machines will eliminate that necessity. They will also be used for other purposes.

Harlem Example

For example, in Harlem an accident and health policy is sometimes switched from company to company. This in-creases the agent's earnings, but keeps insured out of benefits because of the waiting period. The machines would quickly check a practice of this kind. The story of how the workmen's compensation business in New York in 30

pensation business in New York in 30 years swung to mutuals and the state fund until today they do 60% of the volume was told by Mr. Dineen. He suggested that this was due to the straight 17½% commission paid on the business. A suggestion that the W. C. he written on a graded commission basis was made many years ago by Jesse Phillips, then superintendent, he said, but was turned down. Agents shouldn't pass along to children they may want to bring into the business the mistake of hanging on to present advantage and thus losing for the long run.

Witnesses Decline

WASHINGTON — In an effort to obtain testimony on the subject of mutual companies in connection with its hearings on tax exemption, the house ways and means committee has invited

ways and means committee has invited to appear before it:

W. Culver Vaughn, Vaughn insurance agency, Louisville; Frank B. Anderson, Camden, N. J., agent, and W. T. Howell, Missoula Mercantile Co., Missoula, Mont.

Mr. Anderson has not replied. Mr. Vaughn and Mr. Howell declined the invitation. Mutuals have not been invited, it is understood.

The committee concluded its hearings

The committee concluded its hearings on tax exempt cooperatives this week, but plans to take up hearings later on section 101, internal revenue code, con-cerning other tax exemption, if wit-nesses wish to appear.

Mutual Agents' Committee **Heads Are Named**

WASHINGTON—Benjamin G. Sager, Cleveland, president National Assn. of Mutual Insurance Agents, has appointed his committees for the com-

Assn. of Mutual Insurance Agents, nas appointed his committees for the coming year. Chairmen are:

Executive committee, Mr. Sager; membership, Henry D. Bean, Haddonfield, N. J.; agency qualification laws, H. C. Fenno, Philadelphia; agency management, Floyd H. Craft, Greensboro, N. C.; by-laws, James F. Minor, Charlottesville, Va.; company relations, Chas. M. Boteler, Washington, D. C. Educational committee, Bryson F. Thompson, New Haven, Conn.; resolutions, George F. Jones, Charlotte, N. C.; finance and budget, John H. Kroll, Washington, D. C.; aviation, Hugh H. Murray, Jr., Raleigh, N. C.; fire and accident prevention, Elliott P. Curtiss, Stratford, Conn.; advertising and public relations, J. Wayne Barker, Nashville; 1949 convention, Joseph E. Magnus, Chicago; nominating, Robert F. Baldwin, Dayton.

Takes Over Allied Lines Rating Chores in N. E.

BOSTON-The New England Fire Insurance Rating Assn. as of Jan. 1 will

assume supervision of rating for coverages now rated by the Allied Lines Assn. in Maine, Vermont, Massachusetts, Rhode Island and Connecticut.

Coverages to be added are sprinkler leakage, water damage, rain, windstorm and hail, explosion, riot and civil commotion, vandalism and malicious mishiof sirecute and vabilate of transactive daments. chief, aircraft and vehicle property dam-

chief, aircraft and vehicle property damage and earthquake.

New England Rating Assn. will continue to make rates and rules for fire property damage and allied coverages, including extended coverage.

Chilcote Hearing Dec. 18

Chilcote Hearing Dec. 18

ST. LOUIS—Circuit Judge Williams has set Dec. 18 as the date for a hearing on the suit brought by Superintendent Jackson to enjoin Donald E. Chilcote, president, and Miss Joan A. Martin, secretary of Chilcote & Co. agency, from altering the records or removing them from the court's jurisdiction.

Pending his hearing, Judge Williams ordered the books and records to be held in the court house.

Mr. Jackson has 'asserted that he wants the records in connection with the insolvent Mutual Commerce Casualty of Kansas City of which he is receiver.

ceiver.

Chilcote was a vice-president, director and general agent of Mutual Commerce. He is at liberty under bond to answer to a charge of embezzling \$3,000 from Mutual Commerce. A true bill was voted against him by the circuit court grand jury but the indictment has not been returned in court as yet.

Women Hold Round Table

Insurance Women of San Antonio held a round table discussion of problems in providing adequate and correct coverage. Mrs. Rosalie Summers was interlocutor, with Raymond Williams, independent adjuster; Newton W. Jackson, local agent; A. R. Marlow, general Adjustment Bureau, and Sam Clemmons, Floyd West & Co., discussing the questions.

One question was as to the difference.

One question was as to the difference

One question was as to the difference between garage liability coverage and fidelity coverage on garage keeper.

The question of damage coverage where goods are being delivered was discussed with a wide difference of opinion as to what is meant as to place of unloading. The contention was made unloading. The contention was made that it is the first stop of the workman with the merchandise after leaving the truck. Others took the view that it is the final destination of the goods.

The problem of a truck leased and the question of whether the lessor or lessee had A or B coverage if a child was killed by the truck was discussed. It

was stated that where a hazard is seen and no protection against hazards provided, this is negligent contribution on the part of the assured.

Teachers Program for Chicago Dec. 2

Andrews Elevated by **New England Exchange**

Haven W. Andrews, Boston manager of Providence-Washington, has been elected executive committee chairman of the New England Insurance Exchange the New England Insurance Exchange to succeed George R. Pape, who has gone to Chicago. Assistant Manager C. Stewart Cole of Home, was named to take the place of Mr. Pape on the executive committee. The organization has elected 14 new active members, accepted 13 resignations and elected 11 honorary members. Alfred H. Stafford was chosen chairman of the committee on annual dinner.

Report 20% Commission Plan for Auto Dropped

Although the subject is still being discussed, it now appears that the projected adjustment of automobile commissions to a flat 20% across the board, including the physical damage and casualty cover the physical damage and casualty coverages, is not going to be put into effect, at least in the near future. The fact that on Jan. 1 New York insurers may write full auto coverage appears to set that as a logical time to make the adjustment, both because of auto fire experience and to facilitate both agency and company bookkeeping on this class. The adjustment now is unlikely to be made for another year or two or not at all.

Drop Lansing Motor Cover

LANSING, MICH. - The Lansing LANSING, MICH. — The Lansing board of police and fire commissioners has voted not to renew fire, theft and collision coverage on police and fire motorized equipment, contending the present rates for such insurance are "prohibitive."

It was decided to continue study relative to applie liability and account data

tive to public liability and property damage coverage. Commissioner Seth Burwell, formerly with the Michigan department, expressed the view that this coverage could well be dropped also. He said, however, that the committee should look into the need for liability insurance for drivers of police and fire equipment since they are liable personally in event of accidents involving negligence.

Fete Gaede on Retirement

Julius W. Gaede is retiring as assistant manager of the ocean marine depart-ment of Fireman's Fund at New York, after 48 years as an insurance man. He after 48 years as an insurance man. He was tendered a luncheon at which Henry C. Thorn, North America, was toastmaster and G. W. McIndoe of Talbot, Bird & Co., was the speaker. Mr. Gaede started in 1899 with Roberts & Osmun, and then was with the U. S. branch of Mannheim. His connection with Fireman's Fund dates from 1904.

Ohio Solons to Meet

COLUMBUS — The only insurance matters scheduled for attention by the Ohio legislature which has been called into special session Dec. 3, is a proposal for an increased appropriation for rating law administration in the Ohio department and for additional funds for arson investigation in the fire marshal department.

Honor Morse on 80th Year

Orville S. Morse, veteran local agent at Janesville, Wis., and founder of O. S. Morse & Son agency in 1899, was honored by members of the agency and friends at an open house marking his 80th birthday. He was the second man to serve as president of the Wisconsin Assn. of Insurance Agents and is the oldest living past president.

Mr. Morse attended the state association convention in Milwaukee and took part in the deliberations.

for Chicago Dec. 29

Insurance Company Training and Medical Care in Spotlight

Insurance company training and non-governmental medical care programs will be the featured subjects at the meeting of American Assn. of University Teachers of Insurance at the Drake Hotel, Chicago, Dec. 29. Follow-ing the pattern of the past several years, the meeting will be a one-day program, with a dinner meeting and speaker.

with a dinner meeting and speaker.

For the first time since the war, the teachers group is going back to meeting during the Christmas holidays. The accelerated program of many universities during the war so reduced the Christmas vacation that when meetings were held at all, the date was late in January between semesters.

Prof. R. H. Blanchard, Columbia University, past president of the association, will preside at the morning session on company training programs. Harold Gardiner, Milwaukee, educational director Northwestern Mutual Life, will discuss a life insurance company program cuss a life insurance company program and H. P. Abbott, Philadelphia, director of education North America, will do the same for property and casualty insurance companies.

ance companies.
Following the prepared papers, the subject will be discussed by H. H. Irwin, Boston, educational director Massachusetts Mutual Life, Prof. J. E. Hedges, Indiana University, and W. C. Danforth, Boston, superintendent of education Employers Liability.

Medical Care

Dr. F. G. Dickinson, director bureau of medical economic research of American Medical Assn., who was president of the teachers association when professor of insurance at University of Illinois. Will discuss "Cost, Supply and Demand Problems of Medical Care" at the afternoon session. Albert Pike, Jr., New York, actuary Life Insurance Assn. of America, will speak on "Commercial Group Medical-Hospitalization Covers", J. C. Ketchum, executive vice-president Michigan Medical Service, "Medical Society- and Hospital-Sponsored Plans" and W. R. Williamson, president and senior actuary Wyatt Co. "Strengths and Limitations of Non-Governmental Programs". Programs'

Programs".

Past President E. L. Bowers, Ohio State University, will preside at this session. The discussion will be conducted by Dr. Elizabeth W. Wilson, Cambridge, Mass., Frank Lang, New York, research department manager Assn. of Casualty & Surety Executives and Prof. E. A. Gaumnitz, University of Wisconsin.

and Prof. E. A. Cauman.

Wisconsin.

The annual business meeting will follow the afternoon session and Prof. S.

S. Huebner, University of Pennsylvania, will be the dinner speaker. His sub-ject will be "A Look Ahead". Prof. C. A. Kulp, University of Pennsylvania, president of the association, will preside at the dinner.

H. Sumner Stanley Named E. U. A. Assistant Secretary

NEW YORK-H. Sumner Stanley NEW YORK—H. Summer Stanley has been appointed assistant secretary Eastern Underwriters Assn. A graduate of Syracuse University he went with New York Fire Insurance Rating Organization in 1937, first in the suburban division then in the central office. He entered the navy and came out as lieu-

Returning to the rating organization, he has been doing trouble shooting since the war. He did the basic schedule work of Insurance Executives Assn., includ-ing the test rating conducted in New

Noven

DEATHS

William F. Elliott, 71, local agent at San Antonio for 17 years, died there.

San Antonio for 17 years, died there.

Harry G. Burke, 58, vice-president of Old American of Kansas City, died while walking from St. Peter's Catholic church to his motor car.

After serving several years as an accountant for the old Kansas City Milling Co., he was an examiner for the Missouri insurance department 16 years. He had been with Old American nine years.

W. R. J. Smith, senior partner in the Boston general agency of Kimball & Co., died there. He was 77 and had been in the business 62 years, starting with the old North American of Bos-

with the old North American of Bos-ton. He became assistant manager of Hartford Fire at Boston in 1912 and later went into the agency field.

R. J. Scanlan, 61, New York City in-surance broker and in his college days a star athlete at Notre Dame, died in Brooklyn.

J. C. Flynn, 57, of the brokerage firm of Cornwall & Stevens, New York City, died at Mount Vernon, N. Y.

Harold J. Goodsell, 46, local agent of Rochester, N. Y., died at Park Avenue hospital,

Reelect at Winfield, Kan.

The Winfield (Kan.) Insurance Board as reelected its officers. Mrs. W. V. Williams is secretary.



American Equitable Assurance Company of New York

Globe & Republic Insurance Company of America Established 1862

Merchants and Manufacturers Insurance Company of New York Organized 1849

> New York Fire Insurance Company Incorporated 1832



Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

paid exceed Three Hundred Fifty Million Dollars

Urges Credit Unions Oppose Auto Rate Regulation

DES MOINES-Iowa credit unions were advised to oppose state regulation of automobile insurance rates by Herbert W. Vetter, managing director of the Iowa Credit Union League.

Speaking at a meeting of state credit union representatives.

Speaking at a meeting of state credit union representatives, he described such regulation as blocking competition. "Credit union insurance is based on the expectancy that members will prove to be better risks than the general public," he said. "The fixing of standard rates would defeat this aim."

H. H. Jensen, Des Moines attorney, said operators of power lawn mowers, motor scooters and self-propelled machinery are liable under the new state drivers' law in some circumstances and warned that automobile coverage would not apply in such cases and that operators would have to depend on compressions. ators would have to depend on compre-hensive coverage.

Florida A. & H. Men Meet

The Florida Assn. of Accident & Health Underwriters held a state meet-Health Underwriters held a state meeting at Jacksonville, which was well attended. An instructive program was provided. At alk on "Safety First and Socialized Medicine" was given by Dr. R. R. Killinger of Jacksonville. Frank Alexander, deputy insurance commissioner, spoke on "Licensing Laws and Insurance Underwriting," and Frank Riley, director of Jacksonville Safety Council, on "Safety Traffic Roundup," There were also talks by several members of the health and accident business. The afternoon session was principally devoted to spontaneous talks on cipally devoted to spontaneous talks on "Enthusiasm in Salesmanship."

Favor New Minn. Company

ST. PAUL-A group of local agents

ST. PAUL—A group of local agents interested in forming their own casualty company in Minnesota met here Nov. 21 and while no official announcement has been made it is understood they agreed to go ahead with the project. Russell Wilson, one of the promoters, left for Chicago following the meeting and could not be reached early this week for a statement. Byron Olsen of Town & Country agency, St. Paul, who has also been active in the promotion of the company, said it was his understandthe company, said it was his understandthe company, said it was his understanding the meeting agreed to go ahead with the project. Casualty Underwriters, Inc., is the name tentatively selected. Only local agents in Minnesota are eligible to own stock.

Install Brokers' Officers

Brooklyn Insurance Brokers Assn. Brooklyn Insurance Brokers Assn. will hold its annual installation luncheon for its new officers Dec. 3. Max A. Pulver is president; A. I. Jaffe, W. J. Kennedy, and C. A. Merante, vice-presidents; G. J. Mutari, secretary; and E. C. MacCormack, treasurer. Thomas Morrill of the New York department will install the officers. Presidents of other local brokerage organizations have been local brokerage organizations have been

Finds Trailer Covered

North Carolina supreme court has up-held a lower court decision against the now defunct Keystone Mutual Casualty, which had denied liability for an accident when oil from a tank trailer of the assured leaked in an alley, became ig-nited and caused property damage. Keystone contended that the trailer

was not accurately identified in the policy. However the supreme court decided that the description in the original policy is sufficient to identify the trailer and that evidence to explain the ambiguity cited by Keystone was properly admitted in the trial.

Gresham Petroleum Transport was the assured, and the judgment against it of \$722 was obtained by the property owner who suffered loss in the fire.

owner who suffered loss in the fire.

Holmes' Hat in Ring

GREAT FALLS, MONT.—John A. Holmes, state auditor and insurance commissioner, will be a candidate for reelection on the Democratic ticket in 1948, he announced at his home here. He has been commissioner since 1932, Last year he was nominated by the Democratic party for congressman.

Corso to Cleveland Post

G. A. Corso has resigned as an investigator for the Ohio insurance department to take an insurance position at Cleveland.

J. R. Long in New Post

J. R. Long, formerly underwriter and office manager of Pacific Fire, has become chief underwriter for Commonwealth Mutual Fire at Philadelphia. Before joining Pacific Fire at Philadelphia, he was with Franklin Fire as an underwriter and at one time was with North

Review Ohio Rate Laws

Superintendent Shield of Ohio will Superintendent Shield of Oalo will address the Mutual Insurance Club of Columbus Dec. 1 on rating laws enacted by the legislature. Harry Perlet, chief of the rating department, will answer questions pertaining to the new laws.

Ind. Pond Christmas Party

The annual Christmas party of the Indiana Blue Goose will be held at Indiana Blue Goose will be held at Indianapolis, Dec. 6. There will be no dinner, but there will be dancing, bridge, singing and plenty of entertainment.

The annual Christmas party of the at Indianapolis, and indianapolis, and indianapolis an

Fletcher to C. & R. in Ind.

Corroon & Reynolds has appointed T. W. Fletcher, for the past 15 years state agent in Indiana for Employers Fire, as Indiana field man with head-quarters at Indianapolis.

OK RFC Financing

NEW YORK—The new \$2 million financing of Preferred Accident by RFC has been approved by 83% of the com-mon stockholders. At the meeting President Floyd Dull discussed a reorrresident Floyd Dull discussed a reorganization and plans for expansion now made possible. He said stockholders voiced general approval of the progress the company has made so far and of its plains.

Scott Succeeds Butcher

Harold J. Scott has been appointed assistant manager for Canada of the Commercial Union-Ocean group. He succeeds Gordon L. Butcher, who has retired due to ill health.

Insurance Men at Air Clinic

Several insurance men were on hand Springfield, Ill., last week for the fifth at Springfield, Ill., last week for the fifth meeting of the National Aviation Air Clinic. Among those attending were Frank L. Winship, Marsh & McLennan; Jerome Lederer, assistant manager at New York, James Mitchell, assistant manager at Chicago, George Kneightley, engineer from Kansas City, and Eugene Sutton, engineer at Chicago, all of Aero.

Herman A. Pfister, Indiana state agent of Providence Washington, after nine weeks of illness, four of which were spent in the Robert Long Hospital in Indianapolis, has returned to his home.



THINGS THAT ENDURE "Through TIME.

NOTRE DAME - Famous Cathedral of France built on the small island of "La Cite". This beautiful edifice was started in the year 1163 and completed in the thirteenth century. It has been a haven of worship for more than 700 years.

The Northern Assurance was organized in Aberdeen, Scotland in 1836 as an Agency Company. It has remained so all-ways.

THE NORTHERN ASSURANCE CO. Ltd. FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE REPORTING FORM PLOATER CONTACTS NEW YORK . CHICAGO . SAN FRANCISCO

November 27, 1947

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Gladhand Gustave. Always meeting people. Active in every organization in town. Helps out on all civic drives. Introduces people to each other. Somehow, someway, he always gets a lot of insurance business, too.



panies the full and accurate information they want.

Now everybody trusts him. This saves him and his companies a lot of work. It's all blossoming out profitably now.



Inflammable Ike. He says prevention is part of protection. Gives fire prevention and accident prevention hints to policyholders and others. He knows rates are largely controlled by losses; that more and better insurance comes through improved experience. Gets results; excellent loss ratio. Popular with policyholders. Doing all right, too, thank you.



N. F. G.* The Perfect Agent. Does all these things and more. Sound steady protection and prevention service—all the time.

* National Fire Group agents, of course

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD MECHANICS and TRADERS INSURANCE COMPANY FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY
EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONR.

WESTERN DEPARTMENT 175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT 234 BUSH STREET, SAN FRANCISCO 20, CAL.

NEWACK THE ASSOCIATED AVIATION UNDERWRITER

J. L. Maehle New Head of Chicago Casualty Group

J. L. Machle of American Surety was elected president of Casualty Managers



Assn. of Chicago at the annual meeting Tuesday, succeeding D. K. Weiser of Aetna Casualty. M. J. Scheemeacker, Standard Accident, is vice-president, and Spencer Welton, Massachusetts Bonding, secretary. Members of the executive committee are: C. P. Cunningham, Zurich; C. C. Rauschenbach, Ocean; John Bryden, Glens Falls; H. C. Willard, London & Lancashire; J. B. Munson, Bankers; James White, Travelers, and Mr. Weiser.

L. A. Field Group Elects

LOS ANGELES—Casualty & Surety Field Men's Assn. of Southern California has elected these officers: President, George W. Wilson, Maryland Casualty; vice-president, Robert Huntsberger, American Surety; secretary, Howard K. Payson, Fireman's Fund Indemnity.

Otto Kloppenburg, Hartford Accident, retiring president reviewed the work of the year. The next meeting Dec. 22

the year. The next meeting Dec. 22 will be the Christmas party.

Convict Am. Farmers Agents

Convict Am. Farmers Agents
Convicted of taking subscriptions in
Ontario for American Farmers of Arizona, Willis Gillam and Felix Plattendorff have been given \$20 and costs or
30 days in jail at London, Ont. Neither
was licensed nor is the insurer.
British Columbia has joined with Ontario and Alberta in an effort to stop
operations of American Farmers. Superintendent Taylor of British Columbia
issued a warning that anyone found
soliciting for the company in that province will be prosecuted.

List Okla. City, Dallas A. & H. Congress Speakers

The program for the sales congress of Oklahoma Accident & Health Assn.
Dec. 8 at Oklahoma City, as announced by President Olim Stephens, North American Accident, includes addresses by E. H. O'Connor, managing director American Accident, includes addresses by E. H. O'Connor, managing director Insurance Economics Society; E. F. Gregory, Business Men's Assurance, Denver, first vice-president of the National association, on "The Seven Keys to Closing"; Jack Lacy of New York, who is to conduct a sales clinic in Oklahoma City at that time on "Salesmanship Today"; Gordon Tyler, Great American, Tulsa, on "Why Sell Accident and Health"; and Herbert K. Hyde, attorney, on "Americanism".

Speakers for the Dallas congress Dec. 9, in addition to Mr. O'Connor and Mr. Gregory, will be O. R. McAtee, secretary Federal Security Life, San Antonio, "The Life Underwriter as an Accident & Health Saleman": Lynn Tenney, vicepresident Republic National Life, "When Income Stops", and Clifford E. McDonald, Great American Reserve, "How I Sell Accident & Health Insur-

McDonald, Great American Reserve, "How I Sell Accident & Health Insur-

Resumes Personal Accident Statistical Collection

Bureau of A. & H. Underwriters is resuming collection of accident insurance loss experience as of Jan. 1.

loss experience as of Jan. 1.

This collection, begun in 1931, was discontinued during the war years.

The personal accident statistical plan has been revised and simplified by the committee, headed by Harry V. Williams of Hartford Accident and has been distributed to companies. Later consideration will be given to the resumption of compilation under the statistical plan for health policies.

of compilation under the statistical plan for health policies.

This collection is the only one of its kind on American risks. Its value to members in the past has proven to be inestimable. Manager J. F. Follmann, Jr., states, "Today, with certain insurance commissioners expressing keen interest in accident and health loss ratios, the collection should become of ever increasing value and assistance to the commissioners as they approach this probmissioners as they approach this prob-

Panel Division of N. A. C. Draws Garage Applicants

L. G. Evans, manager of the service division of National Automobile Club, and director of the newly created panel division, reports many applications from repair garages desiring to become "ap-proved" for jobs from companies in material damage claims have been re-ceived and that the new plan is already

Por the present time this system will be used in the San Francisco bay area but will gradually be extended through-

out the state.

The panel division is the result of the

activities of the San Francisco Automoactivities of the San Francisco Automo-bile General Adjusters Assn., which sought means of combatting the high costs of repairs which it considered un-tenable and responsible for the over-whelming loss ratios. A. C. Welsh, Travelers, was chairman of the com-mittee which devised the system.

Paramount Mutual Turned Over to Pa. Department

HARRISBURG, PA.—Acting at the request of officials of Paramount Mutual of Philadelphia, the state department of justice secured from the Dauphin county court an order placing the mutual in the hands of the insurance department to determine if it shall be dissolved or republishing. rehabilitated.

Deputy Attorney General Umsted said policies written by the company, most of them automobile, fire and cas-

ualty insurance, have a cash surrender Bari

return value of approximately \$60,000.

Commissioner Malone on Oct. 1 lifted a cease and desist order which had proa cease and desist order which had pho-hibited the mutual from transacting busi-ness from Aug. 14 to that date, while a hearing before the justice department was pending. At that time the company reorganized and headed by Garrison T. Knox of Philadelphia. His attempt to place the mutual on a satisfactory operating basis apparently was unsuc

State officials pointed out that its policies may be subject to assessment if it cannot be rehabilitated.

J. F. Braceland and J. J. Ford have been elected assistant secretaries of Pennsylvania Lumbermen's Mutual Fire. New directors are Walter S. Robbins, Scranton, Pa., and Robert D. Kramer, Elizabeth City, N. C.

INLAND MARINE INSURANCE

Our Inland Marine Manual places at your finger tips all you need for selling inland marine business AND taking the order.

It contains sales suggestions that are of real value.

Our fieldman will be glad to demonstrate its excellence.

New York Underwriters Insurance Company

90 John Street

Globe and Rutgers

Fire Insurance Company

The Insurance Company

State of Pennsylvania

AMERICAN HOME

Fire Assurance Company

111 WILLIAM STREET, NEW YORK 7, N. Y.

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Barnes Reelected ch had pro Ky. President

(CONTINUED FROM PAGE 1)

ew of this unexpected situation. able executive and presiding officer, Mr. Barnes has done an outstanding piece of garnes has done an outstanding piece of force building the Kentucky group to its present size and position. Mr. Chris-nan, of course, was reelected state na-joinal director. Although he has be-tome a national leader during the past ew years, Mr. Chrisman has never lost buch with and the confidence of the Kentucky association, much of the re-

cent growth of which stems from his term as president a few years ago.

The executive committee will be picked within the next few weeks and, as a matter of routine, Peyton B. Bethel, Because the Kentucky legislature meets next January, A. G. Harrison, Louisville, was chosen chairman of the legislative committee at the close of the meeting. Other committee chairmen lative will be selected later.

Chrisman's Report

Mr. Chrisman's report as state national director was a well received de-parture from the usual pattern of these reports. Instead of discussing the At-lantic City meeting of NA.I.A. and its other activities in the past, he built his report around the six point feature pro-gram of the National association, ex-plaining the meaning of each point and then elaborating on what the Kentucky agents can and should do to bring it about.

agents can and should do to bring it about.

F. C. Colridge, secretary, and R. E. Farrer, educational director, were on hand from the N.A.I.A. home office, Mr. Colridge discussing the relations of the National and the state associations and Mr. Farrer speaking on its educational activities. The program also featured two state officials, Insurance Director Wilson, who discussed operation of the new rating laws and H. M. Lathrem, supervisor safety responsibility section, on the administration of the financial responsibility law of the state. Past President J. J. Hackworth, Shelbyville, chairman membership committee, got a big hand when he reported an all time high of 457 members, a net increase of 67 over the 390 of last year. Mr. Hackworth said that he personally was hoping for 500, but every officer thought 450 was an almost impossible goal, which was nicely passed. Prizes were awarded to field men who cooperated with the association in securing new members. Curtis Tarter, Home of New York, who secured 15 new members, was given the first prize, a fishing reel. R. K. Langan, Great American, was given second prize and William Kingsley, Lexington general agent, the third award.

An open forum on insurance subjects third award.

An open forum on insurance subjects was the last matter before the members went into executive session and at-

CLAIMS MANAGER

Here is an exceptionally good man available for a mid-west location. He has a splendid record of over 14 years with one casualty company. This man is a lawyer, age 41, and his personal qualities are excellent.

FERGASON PERSONNEL

Insurance Personnel Exclusively

330 S. Wells Street Chicago, Illinois tracted a surprisingly large crowd for the time of day. Mr. Danford was one of the participants, as were the two speakers on technical subjects, R. J. Beech, St. Louis, superintendent of pro-Beech, St. Louis, superintendent of production American Automobile, who had spoken on farm and comprehensive liability insurance, and J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins," and associate editor The NATIONAL UNDERWRITER, who had spoken on replacemest cost insurance. Mr. Farrer had been scheduled as a participant, but had to leave before then and Mr. Col-ridge replaced him. D. R. Peel, Benton, was chairman.

The dinner-dance and floor show Thursday evening drew an overflow crowd and the entertainment made a de-cided hit. The most popular feature was a dance contest in which four prominent members of the association were drafted to try various steps with members of the to try various steps with members of the chorus. On an "applause vote" of the audience, President Barnes was declared the winner and was suitably rewarded. Dinner was preceded by a cocktail party given by National Surety.

Harold Leonhart will discuss his experiences in Europe in a talk before Binder Club of Baltimore Dec. 5.

Cameron Assistant Manager of Boston, Old Colony in West

LANSING, MICH. — William D. Cameron, long state agent in Michigan for Boston and Old Colony, has been appointed assistant manager of the western department. Mr. Cameron has been in the Michigan field since 1924, the first two years as special agent and since then as state agent. His successor as state agent will be named later. He formerly was the Michigan Fire Prevention Assn. president and secretary-treasurer, and Michigan Fire Underwriters Assn. secretary.



brokers face a challenging responsibility. Shortages of labor and material cause unusual delay in the repair or rebuilding of stores and plants . . . higher fixed costs . . . and excellent earnings . . . all combine to make the sale of Use and Occupancy insurance of first importance. Mercantile, manufacturing and retail establishments — especially those that earn a substantial portion of the year's income during the fall months and the holiday season need this protection now!

> If you represent a Fireman's Fund company ask your special agent how we help producers write Business Interruption insurance, or write to our nearest office for information and literature.



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MARYLAND AGENTS CONVENTION

(CONTINUED FROM PAGE 1)

sociation under the new financing program and at the same time provide a substantial addition to the state group's substantial addition to the state group's treasury. Guy Warfield heads the committee to raise the money, which is expected to come from agencies of all sizes. At the same time it was suggested that agencies be reclassified on the basis of last year's premium income, to bring the dues schedule up to date

the basis come, to bring the questo date.

Mr. Warfield presented the reasons why the N.A.I.A. needs additional funds to pay for increased services, higher etc.

What Agents Are Getting

"You are getting more for the money spent on your National and state as-sociations than for that spent on any-thing else," he said. "Compared with other business associations, we're pik-

In his administration report, retiring President Alvah P. Weaver, Jr., Baltimore, sketched a year of significant events and accomplishments. He recommended to the incoming administration further attempts to get an agents' qualification law. There ought to be at least the requirement of a high school education

The establishment of the procedure of joint conference between companies and agents on new rules, rates and forms is the outstanding achievement of his year as head of the association, he

E. Cochran, Hagerstown, reported J. E. Cochran, Hagerstown, reported for the agents qualification committee, P. D. Bowen of Baltimore wondered why the state shouldn't have a commission to license agents; it has such bodies for hairdressing, plumbing and the like. All that is necessary today to get a license is to read and write, he said.

Rural Business in Maryland

Maryland agents who write farm business are lucky, C. L. Crawford said. In many other sections companies, stock or mutual, are not writing the business freely, are requiring signed applications, etc.

stock or mutual, are not writing the business freely, are requiring signed applications, etc.

The talk by Wilson C. Jainsen, vice-president of Hartford Accident, dealing frankly with such company-agency matters as commissions, made a big hit. If commissions are too low, he explained, the business can't attract capable men. If they are too high, agents price themselves out of the market and attract people interested in doing a little scalping. There is nothing sacrosanet about the agency system, he said. It's just the best method yet devised of distributing insurance.

John C. Stott, Norwich, N. Y., vice-president of N.A.I.A., noted for his ability to express his ideas in a sincere way, stirred Marylanders with his talk Thursday on "What's Ahead for the Agents' Association." Agents must render a substantial service, both as agents and as citizens, he declared, if they are to continue to command respect in the economy. He adjured them to avoid selfishness; after all, the business is a joint enterprise. He warned of the dangers inherent in asking the government for help, in the present

New Conn. President



William J. Dodd, Waterbury, new president of the Connecticut Assn. of Insurance of Insurance Agents, has been in the business since 1921 when he organized the Dodd agency in Waterbury. He is on the membership committee of the National association. market shortage, for example. It is not far to government operation in the It is business.

Clarence R. Rauter, assistant director of the National association educational division, outlined progress in the educational field and commented on the new public relations course, now be-

new public relations course, now being printed.

Several immediate problems face agents, he said—market, commissions, the federal government's attitude toward insurance regulation. But there are also changes in the country's social and economic thinking which point to the necessity of defending the agency system.

A study of that system shows the agent as an important cog in the economy. If an accountant makes an error, another accountant can be retained to correct it. If a lawyer fails, another's advice may result in an improved course of action. But if a plant burns down, insured can't correct a previously made error, consequently the agent can't suc-cessfully defend the system unless he delivers sound, accurate information to clients. Then there is the responsibility of presenting the story of the agent in

Quiz Draws Many

The attendance of 273 at the forum on the new fire rates was one of the largest ever to attend a state association business session. Paul E. Keedy, tion business session. Paul E. Keedy, Baltimore, acted as moderator and handled a difficult subject with skill and dispatch. Thomas B. Street, executive assistant of the Maryland Fire Underwriters Rating Bureau, and Thomas E. Davis of the bureau's stamping department, answered the questions that Mr. Keedy received and phrased.

It is the responsibility of the agents to know the rates and rules and their proper application, Mr. Street pointed out. The rates went into effect Aug. 14, and represent a division into class, or minimum, rates, and schedule rates.

14, and represent a division into class, or minimum, rates, and schedule rates. Mr. Street and Mr. Davis emphasized the need for full and accurate information. One difficulty for agents is that formerly there were two rule books, one for Baltimore, put out by the board there, and the other on the state, established by the Middle Department Rating Bureau.

ing Bureau.
Superintendent Dineen of New York opened the convention with a fine talk. About 500 attended the banquet which closed the meeting. President Weaver was toastmaster. Commissioner Handwas toastmaster. Commissioner Handley of Maryland installed the new officers, and Mayor D'Alesandro, himself from the agency ranks, made a brief appearance. Robert Ripley regaled agents with some of his believe-it-or-nots. Guy with some of his believe-it-or-nots. Guy Warfield presented retiring President Weaver with a large and handsome oriental rug, as a tribute to his administration from the association.

President Weaver's Report

Among the accomplishments of the ear outlined in the report of President Weaver was an agreement by county members to respect Baltimore Board rules within the territory of the board. The matter is now in the hands of the Baltimore Board and Maryland association has completed with satisfaction, its tion has completed with satisfaction, its portion of the spade work. He traced creation of a casualty con-

ference committee through cooperation of the Maryland department which will be in touch with a casualty company committee to discuss contemplated rate filings. This gives the agents an oppor-tunity to present their side of the story and to approach changes in more intelligent fashion because they are aware of the company problems, he said. Na-tional Automobile Underwriters Assn. as well as National Bureau of Casualty & Surety Underwriters are cooperating

in these matters.

The president stated that the agents were well represented on the committees which drafted the new rate laws to place Maryland among the first states



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to comply with P.L. 15. He told of the part of the Maryland association in bringing up to date the question and answers book published by the department for the agents' examination. These examinations are being given in a single classroom under supervision of insur-ance department personnel instead of in separate rooms as was done before. He said this tightens up the procedure to a certain extent, but tightening of the qualification law is preferable and rec-ommended that the matter be pursued in

the coming year.

He praised the work of the agents in promulgating a new rule book for the state. Due to the press of other matters, he said the association has not had the growth in membership that it should have had, and stands at about 190 members. He estimated the 225 mark would be passed during the next year.

MARYLAND NOTES

Walter L. Hays, president of American Fire & Casualty, was in town from Florida. The company now has a Beechcraft and Mr. Hays recently completed a visit to 50 agencies in 14 states in 13 days. Frank Cabe, head of the company's aviation department, was the pilot and had some business of his own with agents. They traveled 6,000 miles at an average of 178 miles per hour.
W. Avery Hall, Salisbury, is serving his second term as president of the chamber of commerce there. In the early 1940s he served as president for two terms.

1940s ne serveu as presents
terms.
A discussion of membership efforts by
the association resulted in W. Avery
Hall of Salisbury and Howard N. German of Easton, both on the eastern
shore, challenging Joseph D. Lazenby,
Annapolis, and J. Edward Cochran, Hagerstown, in western Maryland, to a
contest. The losers will pay off with a
dinner.

Annapolis, and J. Edward Cochran, Hagerstown, in western Maryland, to a contest. The losers will pay off with a dinner.

At the Zurich headquarters R. U. Branion and N. T. Robertson, New York; G. L. Whittaker, Baltimore; E. L. Cheeseman, Philadelphia, and W. Wallace Rhynhart of Washington were hosts.

Presley D. Howen, Baltimore, last year was named chairman of the grandfathers' committee, and his report this year was sharply criticized by President Weaver because of its lack of figures. Marquerry Fox of Towson is a new grandfather.

John Owen, scretary of Corroon & Reynolds, was down from New York to greet and entertain friends in a territory he used to work.

Poor, Bowen, Barriett & Kennedy, Baltimore agency, maintained headquarters. Among the hosts were Henry Thornton, James Crandall, and J. D. Bartlett.

There were several hosts at the Fidelity & Deposit headquarters, including Managers O. A. Donegan, Baltimore; C. E. Megargel, Boston, and W. S. Price, Houston. From the home office were D. C. Handy, G. L. Radcliffe, D. L. Buckler, J. G. Yost, Stuart Galloway, Elmer McCohan, Geo. Conner, W. H. C. Griffith, H. Y. Wright, and T. N. Fercot, Jr. Mr. and Mrs. W. S. Schaeffer of Baltimore were celebrating their 25th wedding anniversary the last day of the convention and Alvah Weaver called for applause at the dance.

B. Conway Taylor, Baltimore manager; Harry F. Ogden of Fidelity & Guaranty, C. Breckenridge Gamble and J. Dillard Hall helped dispense hospitality for L. S. F. & G.

The home companies gave the agents a cocktail party preceding the banquet. They are Fidelity & Deposit, Fidelity & Guaranty, Homestead Fire, Maryland U. S. F. & G.

General Adjustment Moves Ahead Three in California

John McGillivray, manager at Stockton, Cal., for General Adjustment, has been named manager at San Francisco. Francis M. LaVerne, has been transferred from Sacramento and promoted to manager at Stockton. Leo F. Smith has been raised to adjuster-in-charge at Modesto, Cal., to succeed Hugh W. Brinkerhoff, decased. Brinkerhoff, deceased.

Mr. McGillivray has been a company man and adjuster for 28 years. For 15

man and adjuster for 28 years. For 15 years he has been adjusting and was an independent at one time.

Mr. LaVerne joined General Adjustment in 1937 after 10 years as an adjuster. He previously had served at Stockton in 1940 as senior adjuster.

Mr. Smith is former part owner of a general agency in Sioux Falls, S. D., and local agent at Phoenix, Ariz., where he joined General Adjustment in 1946.

Dineen Applauds Home's **New Controls and Studies**

(CONTINUED FROM PAGE 2)

tivities on a basis above criticism, Mr.

Dineen states.

The \$9,600 item which was paid by Home for an apartment in the Plaza Hotel for the use of Mr. Kurth resulted in the department calling attention to the item to "the appropriate tax authorities." Mr. Kurth had not reported the income to tax authorities. The matter was reopened and Mr. Kurth ported the income to tax authorities. The matter was reopened and Mr. Kurth

paid the additional tax, relieving the company from potential tax liability. The tax authorities did not find fraud or willful attempt to evade the payment of

Superintendent Dineen questions the wisdom of furnishing permanent living quarters for company officers though he admits there may be circumstances which justify a departure from this rule. He suggests that such a practice lends itself to abuse and establishes a questionable precedent.

questionable precedent.

The comment on payment of \$5,000 per year to George E. Allen was that

the company carried it as an expense and Mr. Allen paid taxes on it as salary
—and that the over-all audit machinery now being set up under supervision of a comptroller responsible to the directors should prevent any further repetition of

Allyn O.K.'s Floor Plan

Commissioner Allyn of Connecticut has amended the nation-wide marine definition to permit the writing of floor plan risks under inland marine forms.



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NEWS OF THE COMPANIES

Add \$5 Million to Resources of General of Seattle

Arrangements have been completed for an increase of \$5 million in the capital and surplus of General of Seattle. The company is issuing 4,000 shares of Class A stock, par value \$100, which are being purchased at \$1,250 a share by General America Corp., owner of all of the present outstanding stock. The addition of \$400,000 to the capital and of the present outstanding stock. The addition of \$400,000 to the capital and \$4,600,000 to the surplus makes the policyholders surplus approximately \$18

million.

General is increasing its investment in the stock of its totally owned subsidiary, First National, by adding \$1 million to surplus thereby making policyholders surplus over \$2,300,000.

These two companies, together with General Casualty of Seattle, comprise the General America group, which this year will write aproximately \$40 million in premiums. Total assets of the group exceed \$55 million.

Offer Springfield Stock at \$38

Springfield F. & M. is now offering to its stockholders a new issue of 200,000 shares of \$10 par value stock at a price of \$38 per share, on the basis of one share of new stock for each 2½ shares of common stock held of record at Oct. 6. First Boston Corp. and Kidder, Peabody & Co. head a nationwide group of investment banking firms which is underwriting the offering to stockholders, expiring Dec. 5.

Minnesota Chairman Named

MINNEAPOLIS — Chairmen of standing committees of Minnesota Assn. of Insurance Agents have been named as follows: Arthur A. Hirman, Rochester, agents license laws; Jesse

Bradley, McGregor, Bradley & Co., Duluth, conference; Donald B. Clark, Clark & Clark, Winona, education; Brad H. Strom, Jackson, farm and small town agents; Al Johnson, Vogel & Mueller, Springfield, finance; Rod V. Hood, Liscomb-Hood agency, Duluth, fire and accident prevention; Roy A. Mitchell, South St. Paul, legislation; R. A. Thompson, Wirt Wilson & Co., Minne-South St. Paul, legislation; R. A. Thompson, Wirt Wilson & Co., Minneapolis, resolutions; C. R. Hewitt, Dorapoils, resolutions; C. R. Hewitt, Dorset, membership; George A. Thompson, Lewis-Thompson agency, Minneapolis, nominating; Fred G. Degen, Faribault, regional activities.

St. Louis F. & M. Proposals

Stockholders of St. Louis Fire & Marine at a meeting Dec. 1 will vote on a proposal to increase the resources. Alternative proposals are offered, one involving the issuance of new preferred and common shares, and the reduction of the par value of present preferred stock, and the other involving the sale of additional shares of common stock. Capital is now \$250,000. This would be increased to \$300.000 but it is not indiincreased to \$300,000 but it is not indi-cated what amount of additional surplus funds are contemplated.

Boost Mayflower Capital

Mayflower of Columbus, O., has increased its capital by \$75,000. It has been \$202,125. The additional stock has been subscribed for by present stockholders. The assets are now \$700,000. Senator John W. Bricker is president.

Gain More Time to Complete Plans

In order to gain additional time within which to complete financing, Old North State of Greenville, N. C., was dissolved and then a new company of the same name was incorporated. The old charter name was incorporated. The old charter was granted Jan. 16, 1947, and under the North Carolina law the minimum capital and surplus must be raised within 12 months of the granting of the charter. In the new company the par value of the stock is \$5, whereas it was \$10 in the old company and the number of author-

old company, and the number of authorized shares is 200,000 instead of 100,000.

Robert Van Iderstine is president.

Henry C. Smyth, who was formerly executive vice-president of Virginia Auto Mutual, was elected first vice-president and director.

Underwriters of Chicago, a stock company operated under the management of the Warner reciprocals, at Dec. 31, 1946, had assets \$556,365, capital \$250,000 and net surplus \$286,878 according to the report of an examination by Illinois, Massachusetts, West Virginia, Texas and Utah. President is John Eliot Warner. Premiums were \$25,001, losses \$4,367, premium reserve \$11,267

FIELD

American Makes Changes

American has appointed Harold G Scott as state agent for St. Louis, St. Louis County and St. Charles County, succeeding Walter C. Yeomans. He has been handling the southern Illinois field for the group, and will continue to make his headquarters in the St. Louis servoffice.

Eugene B. Martineau, who has been assisting Mr. Yeomans in the St. Louis service office, will take over the southern Illinois territory, succeeding Mr. Scott; and his headquarters will also continue at St. Louis.

Doremus at Harrisburg

Fred W. Doremus, manager of Eastern Underwriters Assn., addressed a meeting of Pennsylvania Field Club at Harrisburg to which local agents were invited. W. H. Hope, president of the club, presided and the speaker was introduced by A. W. Mueller.

Metcalfe in Ill. Field

Kenneth Metcalfe has been assigned to the central Illinois field as special agent by Springfield F. & M. with headquarters at Peoria. He takes the place left vacant by the death of L. R. Swanson. Mr. Metcalfe has been at the west-ern department headquarters of Spring-field 21 years, most of that time in the improved risk department.

Harnan N. W. Supervisor

W. L. Harnan, field man at Seattle, has been appointed northwest supervisor for the Phoenix of London in Oregon and Washington. He will remain in Seattle while the Portland office will be in charge of George B. Leidig.

Conn. Booklet for Agents

Connecticut Field Club is distributing a booklet entitled "Procedure for Writing Fire Policies in Connecticut," designed to assist new policy writers in agencies. It was written by Arthur G. Tyrol, state agent of New York Underwriters.

Hear Grand Nest Report

The Alamo Blue Goose, San Antonio, heard Most Loyal Gander Walter C. Storch tell of the grand nest meeting at

James Sims, North British, was re-

Hubbard Resigns Ill. Post

Geoff Hubbard has resigned as state agent in Illinois for Boston and Old Colony, effective Jan. 1. He has held this post, with headquarters at Peoria, since 1936. His successor will be named later.

Heart of America Splash

The Heart of America Blue Goose at Kansas City held its fall "splash" Nov. 24. A business meeting and initiation was followed by a fellowship hour and dinner.

Revive Ohio Pond Party

The Ohio Blue Goose will hold its annual dinner dance at the Seneca Hotel,

Columbus, Dec. 8. This will be the first post-war revival of the pond's outstand-ing social event.

Ohio Fire Underwriters Assn. will

Ohio Fire Underwriter meet at Columbus Dec. 9.

Kansas Splash Dec. 2

The Kansas Blue Goose will hold its fall "splash" Dec. 2. at Topeka, with George E. Erickson, New Hampshire, in charge of arrangements. Several candidates will be initiated. A fellowship hour and dinner will follow.

Plan Blue Goose Regional

Tentative plans are under way for a district Blue Goose meeting intended to include ponds in Missouri, Arkansas, Oklahoma and Kansas, to be held probably at Joplin, Mo. some time in the

Attorney Kansas Speaker

The Kansas Blue Goose will hear Marion Beatty, Wichita attorney, at its Dec. 1 luncheon meeting at Topeka. He will relate his experiences as a judge in the American military court in occupied Germany.

The Blue Goose Luncheon club of Sioux Falls is sponsoring an annual contest for sixth, seventh and eighth contest for sixth, seventh and eighth grade and senior high school students on fire prevention.

Seattle Blue Goose will hear a talk on football by John Cherberg, backfield coach for the University of Washington at dinner Nov. 28.

About 40 women met to form an auxiliary of the Alamo Blue Goose, San Antonio. Mrs. W. H. Quirk was elected president; Mrs. M. B. McDonald, vicepresident; Mrs. Fred Crawford, secretary, and Mrs. W. C. Storch, treasurer.

Carl T. Wagner, special agent in east-ern Pennsylvania for American, whose headquarters have been at the home office, has now established quarters in the Odd Fellows building, Bethlehem.

\$155,000 Laundry Fire in Neb.

BEATRICE, NEB .- Fire destroying the Kimball Laundry & Dry Cleaners building here did estimated \$155,000 damage, the owners here estimated. This included the building and equipment but not the clothing in the store.

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CHICAGO D. R. MARKHAM NOW BROKER

Donald R. Markham has recently become associated with W. A. Alexander & Co., Chicago, as

a general insurance broker.

Markham graduated from Holy Cross in 1943 entered active duty in the navy in January of 1944. After he was re-leased from duty in June, 1946, he joined Continental Casualty as an accident and health special agent, later becom-



D. R. Markham

ing manager of the A. & H. department

of the Chicago branch office.

Mr. Markham is a son-in-law of George Moloney, vice-president and western manager of Hartford Accident.

HEAR RED CROSS TALK

The November dinner meeting of Insurance Distaff Executives Assn. of Chicago was addressed by Miss Lois Coleman of Welsh, Davis & Co., investment securities, on her experiences as Red Cross aero club director in England and Relegium

CLOSE CHICAGO OFFICE

Stock Company Assn. effective Dec. 26 will close its Chicago office and all activities will be consolidated in New

York City.

C. H. Dickinson, Chicago manager, will go to New York temporarily. He started with the association in Detroit, then moving to Cincinnati and, finally,

Chicago.

This is the last branch office of Stock Company Assn. to be closed and taken over by the New York headquarters.

R. S. Kissam at 2 Park avenue, New York city, is manager.

EXAMINERS HOLD MANAGERS NIGHT

There were 96 on hand for "managers night" of the Fire Insurance Examiners Assn. of Chicago last week: Speaker was Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol, who told of his experiences with the U. S. strategic hombing arrangement of the Chicago Fire Insurance in the U. S. strategic hombing arrangement of the Chicago Fire Insurance in the Insurance Insurance

or his experiences with the U. S. strategic bombing survey in Germany just after the war.

Mr. McAuliffe admitted that his talk was "an old chestnut," but his recital was well delivered and enthusiastically

received.

President Don R. Rose, Millers National, presided and Chief McAuliffe was introduced by Ralph S. Danforth, vice-president, Millers National, who was honor guest manager of the evening.

R. J. Petrick, Atlas, thanked the speaker and voted him a rising round of

ESTABLISH A.I.U. BRANCH

American International Underwriters will open a Chicago branch on Jan. 1 with William Niedecker as manager. The modern office at 208 South LaSalle street also houses the branch of United States Life headed by Joseph G. Orr. Mr. Niedecker is expected to arrive from New York about Dec. 15.

Seek to Tax Non-Dividend Mutual on Stock Basis

The internal revenue bureau, it is understood, has taken the position in connection with one company that a mutual nection with one company that a mutual casualty insurer which does not pay dividends to policyholders is liable to income tax on the basis that applies to stock companies rather than according to the taxation plan for mutual companies. This question is being negotiated, but if the internal revenue bureau should insist on the point and issue a formal ruling, it would probably have quite an effect on those mutual companies that do not pay dividends.

The rates that this company uses are substantially lower than bureau rates, or those charged by participating mutual companies.

It is said that neither the present nor any former federal revenue act contains the definition of "mutual insurance com-

Clark Says Prosecution of Mail Order Firms Proceeds

Attorney General Tom Clark, in addressing the convention of Indiana Assn. of Insurance Agents, departed from his or insurance Agents, departed from his manuscript at one point to say that the Department of Justice will carry forward vigorously its campaign of prosecution of mail order insurers alleged to be operating beyond the pale of the law. He remarked that the first two indict-

ments were against companion insurers of Indiana, they being Guarantee Reserve Life and Guarantee Life.

Mr. Clark said that believers in the American tradition much appears and the companion of the companion of the companion of the companion of the companion insurers of the co

Mr. Clark said that believers in the American tradition must oppose and expose every vicious restraint upon freedom of enterprise. "And, by the way, I might mention that those companies which use the mails to defraud, selling policies which promise much and give nothing, can expect no mercy from our Justice Department. Those who have no intention of delivering value for value received—and I do not refer to the fine group of companies which you Infine group of companies which you Indiana agents represent—are not going to be permitted to continue to oper-

Insurance Square Club of New Jersey will hold its Yuletide "good-time" Dec. 8 at Newark.

Charles E. Burns has resigned as commissioner of banking and insurance of Vermont effective Dec. 1. He is becoming busines manager for Bishop De Goesbriand hospital at Burlington, Vt. A successor has not yet been named. Albert Pingree is deputy commissioner for insurance and is the man that insurance people look to in the department.

Thomas S. Dixon has joined the staff of W. E. Lebby of Los Angeles, state manager of Massachusetts Indemnity, as agency supervisor. For 10 years he has been with Occidental Life in the home office and as field supervisor.

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Mutual Company Men Review Agency Relations Problems

A thoroughgoing discussion of automobile problems, especially as they af-fect local agents, highlighted the sales and agency conference last week of the and agency conference last week of the National Assn. of Mutual Insurance Companies. The two-day meeting was divided into three main sections and handled by panel discussions, the participants going over a set list of ques-tions with comments as to how each problem might be handled.

w. C. Searl, secretary and general counsel of Auto Owners of Lansing, and chairman of the section, presided, and W. S. Bird, State Automobile Mutual of Columbus, had chaire of the first two panels, "How to Enlist the Cooperation of Agents in Meeting Present Conditions," and "Rebuilding Agency Organizations for the Future."

These were only about 40 on hand for

There were only about 40 on hand for the morning session, the concurrent meeting of the National Assn. of Independent Insurers in Chicago cutting down the attendance. The attendance

down the attendance. The attendance picked up in the afternoon.

The meeting was opened with a talk by Hyde Perce, Ir., insurance editor of the Chicago "Journal of Commerce," who emphasized that insurance companies should convince their insured that any traffic violation is anti-social and any lawful means taken to prevent accidents are justifiable. justifiable. nts are

Mr. Bird, in introducing the first panel, remarked that an almost hysteri-cal situation has prevailed in the auto business since the war, and many com-panies have seriously damaged their panies have seriously damaged their agency relations by underwriting re-strictions, withdrawals, and other means. That topic is in need of serious discussion, he said.

Members of the panel were Paul H Dubuc, Shelby Mutual Casualty; G. F Alcott, State Farm Mutual Auto; E. L Sherard, Equity Mutual, and M. J. Wil-kinson, Employers Mutual Casualty. Questions were propounded by Mr. Questions were propounded by Mr. Bird and taken up by each member in

To the question training agents to

select better risks, Mr. Dubuc said that one method is to tell the agents what the company will not take rather than what it will, and suggested using credit reports. He emphasized that agents need to know the reason why an old driver is not acceptable and why young drivers are bad risks.

Mr. Alcott commented that the prob-lem is chiefly one of constantly recruit-ing better agents. Agents will write on their association level, he said, and one who frequents a bar may get a few good risks, but the majority will be poor. A large part of agent training is up to the underwriter, Mr. Wilkinson de-clared. He suggested that when unac-ceptable risks are received, the under-writer write the agent and give him the

writer write the agent and give him the full benefit of knowing why it has been refused. This will help in future selection by agents.

Insist on Application

Mr. Dubuc, discussing securing the agents' cooperation in furnishing com-plete underwriting information with applete underwriting information with applications, said that his company makes a definite practice of insisting upon an application with every case. Mr. Alcott added that companies might revise their application forms to give the agent and insured a break. The average agent is willing to give information, but finds that the form is poorly drawn up. He may have a full line to use for the date, but when asked the reason why, finds only an inch of space. only an inch of space.

Mr. Wilkinson observed that when agents realize they must submit an ap-plication, they will without argument. Many will even add information on the After using them for awhile, Mr.

back. After using them for awhile, Mr. Sherard pointed out, agents realize a completely finished application saves correspondence and agency time.

Mr. Dubuc added that when credit reports are being made, the agent should be told about it. That way the company avoids creating bad relations, and at the same time the agent will be careful in his submissions in the future.

The question securing agents' co-

operation in retiring from questionable risks, brought out unanimous agreement that firmness is of paramount importance. Mr. Alcott mentioned that State Farm agents handle all minor claims. They easily understand why a company wants to get off a risk, because they are

the ones that have been getting out of bed to do the adjusting.

Mr. Wilkinson said that agents are conscious of their loss ratios today.

They know that companies may retire from an agency if the picture gets too

Confer on Cancellation

Mr. Sherard suggested that the agent be informed before cancellation is necessary. He should be given current experience on the risk and have a chance to confer with the insured. Cancellation, when it comes, is no shock and very often the agent can, by a good conversation, improve a risk.

conversation, improve a risk.

On presenting agency profit and loss figures to agents, Mr. Dubuc said it is surprising how little the agent knows of his own loss ratio. He does not realize how small claims pile up and ruin his picture. Presenting the situation is a big job for the field man; he should talk over the situation at regular intervals and explain the company reports.

Loss figures were not emphasized in the good years, and the agent is baffled by what he gets from the company today, Mr. Alcott stated. The agent is not used to dealing in premiums paid, losses incurred figures, especially when

losses incurred figures, especially when a loss occurs out of state and the agent does not know of it. Both Mr. Wilkinson and Mr. Sherard emphasized that the special agent should be used to explain the figures.

Age Problems

When no panel member had an answer to the discussion on agents' acceptance of loading rates and/or reducing commissions on certain risks, Paul Buehler, Beacon Mutual Indemnity, sec-retary of the section, spoke up and asked how long companies expect to get by by refusing to write people under age 25 or over 65, when those handicaps are

all that can be cited against them.

"Many old people, and many physically handicapped are wondering today why they can't get insurance," he said.

Rates are loaded to get the undesirable business into a regular loss picture.

and commissions are usually reduced on that line because the business is so easy

to get.

Many people with fine driving records who are unable to get insurance are plenty sore about having to go through the assigned risk wringer," Mr. Buehler added. It is a definite responsibility of companies to take on substandard risks or they face alternatives such as the workmen's compensation state fund in

GARAGE COSTS

Mr. Alcott, who has been traveling in several states for the past few months, had much to say about small claims. The major factor in loss ratios, Mr. Alcott declared, is not what unsatisfactory risks are doing. That is a minor factor. The headache comes from repair costs and garage charges. Mr. Alcott said he has found that repair bills can be cut in half by going from garage to garage, and many times they can be cut in half again by making one

can be cut in half again by making one extra trip.

In the old days, 90% of the business was on Model T Fords, he remarked. The Ford had nothing on it. Now the Chrysler grill alone costs \$85. Fancy work on car fronts, fenders that run half way around the body, and chromium gadgets filling almost all the space on the outside are eating up the preon the outside, are eating up the pre-mium dollar.

He said that there once was a time

He said that there once was a time when a damaged fender could be taken off and replaced by a new one for \$5. Now to punch a hole in a Chrysler grill brings an \$85 charge. The last question was on what can be done to further reduce operating ex-

penses. There was an immediate agreement that the word "further" should be

eliminated.

Mr. Alcott suggested that agents handle their office procedure more promptly, and save the cost of writing several letters on the same subject.

Mr. Wilkinson pointed out that agents often do not use company advertising material, and a needless expense is created when they ask for supplies and then file them away. He suggested that field men educate agents on how to use company advertising and how much to

No optimistic outlook was delivered on the prospects for 1948. Mr. Dubuc ventured that experience will be a little better, but if inflation gets any worse, the whole automobile business could go out of whack. He credited the safety conference of President Truman with the underwriting success achieved in the few months.

Mr. Alcott said that since April State Farm experience has shown a slight improvement, but added that when improvement, but added that when money tightens up there may be a serious conservation problem. Mr. Wilkinson observed that home office expenses cannot be expected to decrease and without further rate increases, the business cannot show too good sould. ness cannot show too good results.

Afternoon Session

Leading off the afternoon session was H. C. Henderson, manager of direct mail division of McGraw-Hill, who spoke on "How McGraw-Hill Uses Direct Mail Advertising."

Mr. Henderson said that the big factor in direct mail is the use of testing.

No letter should be sent out without first being subjected to a sample list which will indicate the results. Such things as color of the envelope, illustration, salutation, etc., may affect the

tion, salutation, etc., may affect the results materially.

The panel discussion concerned rebuilding agency organizations for the future, and participants were E. A. Hays, Central States Mutual; L. J. Bennett, American Farmers Mutual; Charles E. Hermany, State Automobile Mutual, and B. W. Snyder, Motorists Mutual.

The questions concerned company advertising, agents' use of advertising material, selection and training of agents. Special agents. and their supervision. On

special agents, and their supervision. On these questions there was divergence of thought, as each company has its own methods. There was considerable inter-change of ideas, but no problems were

The executive committee met at lunch

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and voted on several amendments to the by-laws. It was decided to change the name of the section to the Conference of Mutual Casualty Companies of the National Assn. of Mutual Insurance Companies. This brings the name in line with several other offshoot sections of the mutual company association. The amendments were reported by Robert B. Goode, Allied Mutual Casualty.

Mr. Searl gave the dates for the conference meetings next year. They are: March 19-20, underwriting; May 14-15, management; June 25-26, accounting and office procedure; and Nov. 19-20, claims.

management; June 25-26, accounting and office procedure; and Nov. 19-20, claims. On the second morning the topic was "How to Interest Agents in Writing General Casualty Lines." Speakers were A. Lynn Minzey, Auto Owners, on "O. L. & T., Farm, Etc."; Paul H. Dubuc, Shelby Mutual Casualty, on "Comprehensive," and G. W. Hopkins, Auto Mutual Liability, on "Workmen's Compensation." Messrs. Minzey, Dubuc and Hopkins led a panel discussion on those subiects.

Best Calls Surplus Premium Ratio Test Meaningless

Alfred M. Best, head of the A. M. Best Co., organization, in addressing the banquet of National Assn. of Independent Insurers at Chicago, said that if the growth pattern of casualty insurrance in the decade following the second war is identical to the growth pattern for the decade following the first war, such premiums could reach the figure of \$5 billion 800 million. However, he expressed doubt that this point will be reached because the base figure at the end of the second war was so much larger than was the figure at the end of the first war. Nevertheless, there will be a very substantial growth, and hexpressed the belief that this increase cannot be financed entirely out of company earnings. pany earnings.
Mr. Best recalled that in 1918 the cas-

mir. Best recalled that in 1918 the casualty premium volume was \$300 million and in 10 years it had trebled.

In 1945 the writings were \$1 billion 934 million and the indicated premiums for 1947 are \$3 billion. The figure in 1946 was \$2 billion 391 million.

In 1946 the drain on curplus was \$65.

In 1946 the drain on surplus was \$65 million due to the financing of increased

Ratio Test Is Meaningless

Ratio Test Is Meaningless

Mr. Best referred to the various tests that have been proposed, utilizing the measure of ratio of premiums to net resources. This, Mr. Best contended, is meaningless unless the results of the business are considered. He went back to December, 1932, which he said was the low point for the casualty companies. In statements for that year, the companies were permitted to carry securities above market values and it was estimated that the actual capital-surplus of stock casualty companies at market at that time was \$200 million. During 1932 the premiums were \$600 million and the liabilities were \$800 million. In other words, the ratio of surplus to premiums was one-third, the ratio of surplus to liabilities was one-quarter. If a ratio of premium writings to two times surplus had been required, the companies could not have supplied the coverage that was needed.

At Dec. 31, 1946, the capital-surplus and voluntary reserves of stock companies were about \$1 billion, which compared with premiums of \$1 billion 420 million, the ratio of surplus to premiums was 71%.

At Dec. 31, 1932, very little could be allowed for equity in claim reserves whereas in 1946, the estimated equity in such reserves gave a big safety edge.

In 1946 there was also an estimated \$264 million equity in premium reserves.

Mr. Best closed with a warning to the industry to guard against the inroads of federal bureaucracy. The influence of

those advocating extension of the federal system is waning, but such advocates are stubborn and persistent and the business must be on guard. He said the states seemed to be driving to be fair to all concerned in connection with the administration of the new-laws.

Many Favor Mich. Responsibility Act Procedure

Some of those that have been observing the operation of financial responsibility laws are voicing praise for the Michigan system. In that state the law is administered by only three men and the costs are negligible. This compares with large outlays in other states. For instance, in Indiana the cost is about \$125,000.

Michigan has an effective New York type of responsibility law and there is no exception as to amount of property damage that must be involved in an accident in order to make those involved liable to the operation of the law. However, unlike the other states, there is no requirement that those involved in every accident shall report to the state and furnish evidence of third party in-

surance. Accidents are settled in the normal course without the state being advised, and the only times that the state is brought into the picture is when a claimant finds that the other fellow doesn't have insurance. Then the state proceeds to invoke the law.

Some observers feel that in the other states an enormous amount of paper work is being performed that doesn't contribute to safe motoring nor to protection of innocent victims of automobile accidents. In New York and in Indiana the costs of administration of the responsibility act are saddled on the insurance company, and it is predictable that attempts to do likewise will be made in other states. Hence, insurers are likely to have quite a stake in this matter and there seems to be a growing sentiment in favor of the Michigan plan.

Dismiss Action Attacking Germantown Fire Setup

The federal court at Philadelphia has now dismissed the action that was brought by minority stockholders of Germantown Fire charging officers and directors with breach of faith in connection with the conversion of the old Mutual Fire of Germantown into a stock company. The suit was attacking par-

ticularly Arthur O. Rosenlund who acquired 17,500 out of 50,000 shares of the stock. The stock was issued at \$20 a share, whereas, after the conversion the the stock had a book value of \$80 per

the stock had a book value of \$80 per share.

The court said there was no evidence of the setting up of a device to defraud any person, nor was there any proof that Mr. Rosenlund and his alleged conspirators dominated and controlled the mutual company in the process of conversion or in the filing or distribution of false or incomplete statements. There is no evidence of any scheme to mislead or discourage subscribers so that the directors could buy the stock at less than its value.

Neb. Assigned Risk Correction

Neb. Assigned Risk Correction

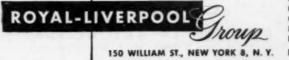
In the Nov. 13 issue of THE NATIONAL UNDERWRITER, it was erroneously reported that drinking drivers will have to pay a penalty of 50% premium in addition to the regular 15% charge when they are obliged to turn to the Nebraska assigned risk plan. At a recent meeting of the directors of the plan it was suggested that the premium be increased 100% on any assigned risk which involved the history of drunken or wreckless driving, but this was not acted upon, and was referred to the governing committee for study. No change has been made in the present surcharges.



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EDITORIAL COMMENT

Enforcing Rate Increases

The producers who take advantage of fore-knowledge of a rate increase to cancel and rewrite policies and thus keep rates at the old level long after the gong has sounded for the higher price, would probably justify the practice on the grounds that their job is to look after the best interests of their insured. This cannot be regarded as much of an argument.

Most agents will applaud the day when supervisory authorities banish the practice absolutely, and it looks as if under new rating legislation they will do just that.

In Maryland the commissioner some time ago served notice on agents and companies alike that when a rate increase had been approved and put into effect, the official starting time was official, and any deviations proved to be deliberate attempts to nullify the rate increase would be disciplined.

In New York, the department has issued a call for data on the fire rate increase, data from which it can determine whether there were any violations of the increase. In New York City it will cost the companies time and money to produce the information. However, the department gives no indication of relenting. It wants the data. Its attitude is that the law imposes responsibility on it to enforce the rate increase. to see that insurers get the increase in price to which they are entitled and to which the department has, after analysis, given its approval. The rate increase is going to be enforced on producers and insured.

Aside from the assumption of responsibility for complete enforcement of the law, there is a matter of fair play involved. Only a few insured out of the entire number affected by rate increase ever benefit by the few agents jumping the gun. All of the others must pay the rate increase when the time comes. Deliberate extension of policies in order to give certain insured the benefit of the previous lower rates obviously is discrimination both in a legal and a moral

On the other hand, if the companies are entitled to a rate increase-and it is assumed that they have figures to justify the hike in prices and that the state authorities are convinced that they need it-then the companies should get the increase from all insured and not from just part of them at the time the increase becomes official.

Most agents would like to see a rate increase strictly enforced. They don't like to do something that is questionable, yet so long as some agents do it and appear to get by with it, the rest of the producers are entitled to contend that what happens is unfair.

It is interesting to see a state official enforcing a rate increase on all elements of the business, including the companies, who have, it must be admitted, regarded this to some extent as being finally within their jurisdiction, to enforce or not to enforce.

Changed Psychology of the Customer

The somewhat acid criticism of local agents for not being more under his feet, so to say, that was voiced by Paul H. Schindler of Youngstown Sheet & Tube in addressing the American Management Assn. insurance conference actually has complimentary implications. Mr. Schindler hungers for agency service. He wants them to prowl the plants, looking for exposure to insure; he wants their aid in preparing insurance charts, maps, analyses, and indeed to "become almost a nuisance."

The implication of this criticism is one to make the competent agent chesty. Here is the insurance manager of one of the great industrial organizations of the country asking agents and brokers to consort with him much more extensively than they do. That, of course, means that he prizes what they have to offer and puts high value on their service.

Mr. Schindler's comment put us in mind of a conversation we had recently with an industrialist in a town of about 10,000 population. He said he felt that he was not getting the sharpest kind of insurance counsel, because he detected a timidity on the part of local agents in that community to bring to his attention all of their wares and the latest of their wares.

Probably a great many agents still have not become conscious of the new light in which they stand in the eyes of their customers. It is not so long ago that agents were pretty generally looked upon as calamity howlers when they undertook to sell additional amounts of insurance or to present new kinds of insurance or to insist on fire prevention or safety measures. The successful technique seemed to be to make just as little of a nuisance of oneself as possible and to get the order for renewal of insurance as casually as pos- ancholy thoughts to the assured. Then sible before the management had an is a decided change in attitude and any opportunity to think it over and reduce the amount or turn the line over to the exposures of his clients and prosomebody's brother-in-law. The correct behavior seemed to be to as inconspicuous as possible,

Today high value is placed on agency and brokerage skill and the complaint of many a buyer seems to be not that the agent is dreaming up awful things that could happen to him but that the agent is not transmitting all of his mel-

agent today that is hesitant to outline pects and to recommend the most complete coverage is out of step with the times. He should revise his mental outlook and go out with confidence that his visit will be welcomed and valued Mr. Schindler's criticism might well serve to imbue agents with self confidence that have not fully realized the changed psychology of the customer,

PERSONALS

rother contingents is that of the four Folkers. Ranked by age, they are: Herman Folkers, who is with Zurich at Tulsa, the eldest; Joseph Folkers, who is with the Critchell-Miller agency, Chicago; Jacob E. Folkers, Chicago manager of Bituminous Casualty, and John Folkers of the Rollins, Burdick, Hunter agency, Chicago; ter agency, Chicago.

Edwin J. Quick of Muskegon, Mich. attended the national aviation clinic at Springfield, Ill., as a member of the avia-tion committee of National Assn of Insurance Agents.

Victor G. Henry, well known Wichita agent, for some years Kansas state na-tional director and for two terms state president, is recovering from an which kept him from attending the na-tional and Kansas convention last month. He is now spending a few hours each day at his office.

Morley Cho of Tai Ping Insurance o., Shanghai, is in New York with some of his associates making a survey insurance conditions in this country

W. E. Mallalieu, general manager of the National Board, is making a very satisfactory recovery from an appendectomy that was performed Nov. 17 at a hospital in Jersey City.

DEATHS

Aquilla A. Myers, 82, local agent at Albion, Neb., since 1925, died of over-exertion while shoveling snow.

Daisy P. Jacobs, for many years manager of the insurance department of Confer Brothers, Minneapolis, died

Louis Schuler, 81, long prominent in insurance and real estate at New Orleans and a director of Lafayette Fire, died He retired from active business about 10 years ago.

W. W. Walbancke, 70, New York insurance broker, died in Nassau hospital, Mineola, L. I. He was born in England and came to the U. S. at an early age. He was an underwriter with New York State Insurance Fund, later was manager of Cornwall & Stevens. He started his own brokerage firm 25 years ago. vears ago.

Howard C. McDermott, 48, examiner in the New York department for almost 20 years, was killed when struck by a hit and run automobile at Hemp-

stead, L. I. He had alighted from his car to check some mechanical difficulty when the hit and run car crashed int the McDermott car. The two McDer mott daughters were injured slightly,

Fireman's Fund Patriarch Dies

J. B. Levison, retired president and chairman of Fireman's Fund, but still a director, died Sat-urday night in his sleep. Funeral serv-

were n held Tuesday. He was 86 last October.

Mr. Levison was born at Virginia

City, Nev., and in 1875 his family moved to San Francisco. Three years later he started in the insurance business with New Zea-land, and in 1880 went with the ma-

rine department of Hutchinson & Mann. When Anglo-Nevada Assurance was organized in 1886 he joined that com-pany as marine clerk and later was

elected marine secretary.

Mr. Levison went with Fireman's Mr. Levison went with Fireman's Fund as marine secretary in 1890 when the marine business of Anglo-Nevada was absorbed by Fireman's Fund. In was absorbed by Fireman's Fund. In 1900 he was elected 2d vice-president and in 1914 was named vice-president of Fireman's Fund. He assumed the presidency in 1917, being the fourth president of that company. He became poard chairman in 1937 and retired from

position in 1943. r. Levison was chiefly responsible during the difficult months following the San Francisco disaster in 1906, for the execution of the daring plan of rehabiliexecution of the daring plan of rehabili-tation by which Fireman's Fund was successfully led out of its difficulties to retain a position of leadership. He was credited with being personally respon-sible for the entrance of Fireman's Fund into the field of automobile in-surance, the first company to write that line on a nationwide basis line on a nationwide basis

Mr. Levison was mentally alert until the time of his death and he had continued to attend directors' meetings. His span of active identification with insurance was one of 69 years, and his service with Fireman's Fund covered

Three of Mr. Levison's sons operate the Levison Bros. insurance brokerage firm of San Francisco, they being, John, George and Robert. A fourth son,



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DES MOINES 12. IOWA-3333 Grand Ave.. Tel. 7-4677. R. J. Chapman, Resident Manager. DETROIT 26, MICH. — 219 Transportation Bldg. Tel. Cherry 2826. A. J. Edwards, Resident Manager.

ciate Manager: George E. Wohlgemuth, News KANSAS CITY 6, MO.—605 Columbia Bank Editor; Arthur W. Riggs, Statistician.

Bldg... Tel. Victor 9157. William J. Gessing, Pres; J. T. Curtin and W. J. Smyth, Resident Manager.

Bldg... Tel. Victor 9157. William J. Gessing, Manager.

Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Room 1127. Tel. Pennypacker 5-3706. E. II.

Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St. Room 1127, Tel. Pennypacker 5-3708. E. H. Fredrikson, Resident Manager.

NEW YORK 7, N. Y.—99 John St. Room 103, SAN FRANCISCO 4, CAL.—507 Flation Bldg. Tel. Exbrook 2-3954. F. W. Bland, Pacific Editors' Harry T. Jones and Donald J. Reap.

Coast Editor. Guy C. Macdonald, Pacific Coast Editor.

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Mr. Levison was a musician and a leader in musical affairs. He had charge of the music for the San Francisco world's fair.

Charles E. Case, Retired No. British High Official, Dies

British High Official, Dies

Charles E. Case, who retired effective Dec. 31, 1940, as assistant U. S. manager of North British & Mercantile, died during the night at his home at Summit, N. J. He had just celebrated his 72nd birthday in October.

Since his retirement, Mr. Case had continued as a director of Homeland.

When Mr. Case graduated from Harvard in 1898, his father, Charles L. Case, was manager of London Assurance; but he told his son it would be better for him to start with some other company and succeed on his own merits. He joined W. L. Perrin Agency as assistant surveyor. Then for a time he was with United Fire of Baltimore; later going with New York Underwriters where for five years he was special agent for New York state.

His association with North British began in 1906 as special agent for New Jersey. After a year, he was appointed special agent for Commonwealth, but recently purchased by North British. In 1908 he was elected secretary of the company, and when it was merged with North British under one management, he was made assistant general agent in the middle department. Several years later he was appointed assistant secretary of North British, and shortly thereafter general agent of the western department, the figures of which he soon succeeded in bringing out of the red. In recognition of that accomplishment, his title was changed in 1918, to assistant U. S. manager although he continued in direct supervision of western territory. Soon after that he was selected as chief assistant to the then U. S. manager.

Mr. Case was a past president of Insurance Society of New York. He was

lected as chief assistant to the then U. S. manager.

Mr. Case was a past president of Insurance Society of New York. He was treasurer and director of National Automobile Underwriters Assn. He also served as chairman of the governing committee of Aero Insurance Underwriters; vice-president of Oil Insurance Assn., and on many important committees of National Board.

Funeral services were held Monday at Calvary Episcopal Church, Summit, where he had been a vestryman for 27 years.

27 years.

C. R. Briggs, 62, Greensboro, special agent in North Carolina for Fire Association, died suddenly of a heart attack.

James D. Gaynor, 65, local agent at North Branch, Mich., for many years, died there after a six months' illness.

Thomas White veteran manages and

died there after a six months' illness.

Thomas White, veteran manager and director of Sanborn Map Co. on the Pacific Coast, who retired several years ago, died Sunday, aged 80.

John B. Alexander, 37, chief assistant insurance commissioner of California since last June committed suicide at his home in Oakland. Strain of his heavy duties since assuming this responsibility was given as one cause. He has been in the insurance business since 1938, starting at Seattle with

PROTECTION ASSURED FIRE AND MARINE INSURANCE COMPANY
99 JOHN STREET, NEW YORK 7, N. Y

Charles Lane, is a well known movie actor.

Mr. Levison was a musician and a with that company and also succeded him as assistant insurance commissioner when Mr. Lloyd resigned to join U. S. F. & G.

J. Gordon Bohannan, 67, for many years counsel for the Virginia rating bureau, died at Richmond. He was a former president of Virginia Bar Assn. and for two years was president of the state chamber of commerce.

state chamber of commerce.

Frederick G. Farquhar, 69, member of the firm of Boit, Dalton & Church of Boston, died in a Boston hospital. He was born in Pottsville, Pa., graduated from the University of Pennsylvania in 1900. He entered insurance in Boston in 1903 as a clerk in the office of John C. Paige & Co. and was later with William A. Hamilton Co. When the latter firm was taken over by Boit, Dalton & Church he became a partner. He was a former president of the Boston Protective Department.

a former president of the Boston Protective Department.

Fletcher W. Peck, 66, veteran Rochester insurance man, died there. He formerly served as Rochester manager of the improved risk mutuals and more recently had been with the Walter Taylor agency as a broker.

Frank L. Brokaw, who had for many years been a specialist in insurance stocks, and most recently had been with the New York investment firm of Shelby Cullom Davis & Co., was found dead under a tree on the farm near Somerville, N. J., where he was born. His age was 61. A bottle was found nearby which had contained 100 sleeping pills, of which only 21 were left. The Somerset county physician listed the death as a suicide. He had suffered a heart attack last August and was away about a month, but since returning, it is said he had given no indication of being depressed.

The previous weekend Mr. Brokaw had had as a guest in his New York City home, Robert C. Hosmer, chairman of Excelsior of Syracuse. Monday morning Mr. Hosmer found that Mr. Brokaw had left without leaving any note indicating where he had gone or why he had left so abruptly.

Mr. Brokaw started in his own invest-ment firm 20 years ago. In his earlier years he was an officer of New Jersey Ins. Co., and later was with National Liberty.

Ins. Co., and later was with National Liberty.

George F. Nye, president of the Nye, Norton & Woodward agency, Niagara Falls, N. Y., one of the city's business leaders for more than 50 years, died there. He served as city industrial commissioner and as president of the Board of Trade. He was president of several other corporations and a director of several banks.

Cyril L. Clark, 56, veteran adjuster, died at Elmira, N. Y., after a brief illness. He entered insurance work in 1911 when he took over the agency conducted by his father at Menomonie, Wis. From there he went as an underwriter with Marsh & McLennan at Minneapolis, and later went with the Hardware Mutual group there, for which he established and managed branch offices at Winnipeg and Newark.

In 1929 he moved to Celina, O., where he became assistant secretary of Mercer.

In 1929 he moved to Ceina, U., where he became assistant secretary of Mercer Casualty and Celina Mutual Casualty. Ten years later he joined Jamestown Mutual at Jamestown, N. Y. He established an office at Elmira in 1930 as an independent adjuster.

Morris Duckler, 76, local agent of Milwaukee for many years, died at his home following an illness of several months

Richmond Club Elects

Harry N. Levey, manager of National Harry N. Levey, manager of National Surety, is the new president of the Insurance Club of Richmond. He succeeds Marshall C. Speight, Virginia Fire & Marine. Robert I. Boswell of Boswell & Curtis and R. Coleman Rice, state agent of Phoenix of London, are vice-presidents; Julius T. Jones, Aetna Life group, secretary; J. N. Trice, Davenport Insurance Corp., treasurer.



WHO WINS AMONG

Business men argue far into the night on the respective merits of partnerships and close corporations. But there's little room for debate on one aspect; both forms of organization need business life insurance. And both merit the best possible insurance service.

Here's a way to earn large additional premiums and commissions from these important clients - and at the same time give them additional service they'll appreciate; service that will tie them even closer to your

In either a partnership or a close corporation, if one of the members dies it creates a serious problem for the survivors. Will a widow expect an income without doing the work? Or will she want to help run the firm without knowing how?

The right answer is an agreement to sell the business to the surviving members for a fixed price. The purchase money comes from life insurance. The survivors gain full control of the business; the widow gets cash or a life annuity for her inter-

Conditions and agreements differ widely among the many close corporations and partnerships that are your clients. They'll like your help on this vital matter - help you can give with the aid of the Connecticut Mutual Life Insurance Company. This fine company has been working closely with thousands of fire and casualty agents and brokers for many

You can find out about this source of additional business among your best clients from two booklets published by the Connecticut Mutual. One is entitled "The Value of Business Life Insurance to the Close Corporation," the other is called "Who Will Your Next Partner Be?" They're yours free of charge and without the slightest obligation. Clip the coupon and send for yours today!

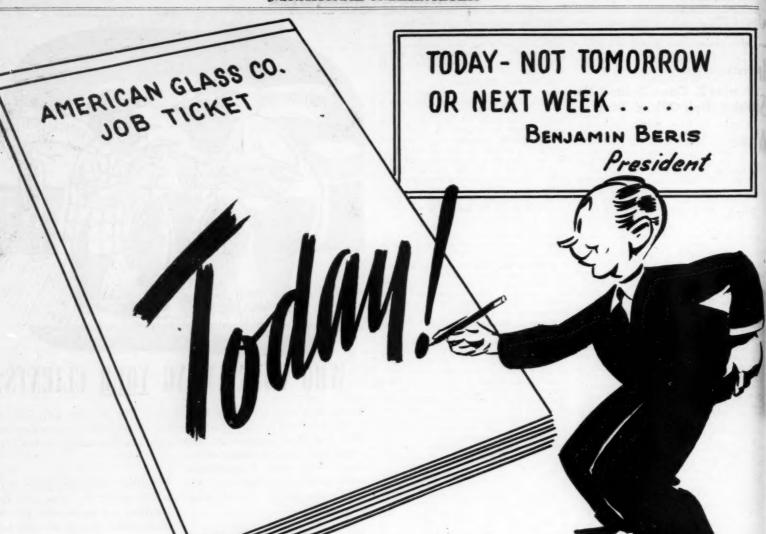


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Old Ben Franklin would glory in the service offered by the American Glass Co. For it was Ben who advised "Never put off 'til tomorrow what can be done today." American Glass Co. employees are schooled in the idea that each day is a new day, and even when getting the job done today appears impossible, every human effort is made to comply with our slogan "Today . . . not tomorrow or next week."

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Independent Group Shows Vitality at Annual Parley

N.A.I.I. Now Firmly Established—Statistical **Program Is Big Project**

National Assn. of Independent Insurers is now a firmly established and growing organization. It has 64 member companies, it is counted in on many





P. N. Snodgrass

industry deliberations, it is fathering statistical systems and rating bureaus for compliance with the new laws, and in general it is making articulate a great many voices that previously had little opportunity to be heard except in a very local sphere.

The two-day meeting at Chicago last week had a registration of 235 and the program featured several prominent speakers as well as a spirited discussion of topical matters with liberal audience participation. Credit for putting the program together and for taking care of local arrangements goes to George Ca-sey of Motor Vehicle Casualty, and credit for executing the program in busi-nesslike style goes to Adlai H. Rust of the State Farm organization, the retiring president. Vestal Lemmon, the

NEW OFFICERS ELECTED

President—Philip N. Snodgrass, General Casualty of Madison, Wis. Vice-presidents—John H. Carton, Wolver-ine; A. R. Nelson, Hawkeye Casualty; Walter L. Hays, American Fire & Casualty, Or-

Secretary-Robert B. Goode, Allied Mu-

Treasurer-J. E. Faust, State Auto, In-

dianapolis.

manager, is highly valued by the membership.

Insurance Director Parkinson of Illinois gave the address of welcome and Commissioner Pearson of Indiana was a head table dignitary at the banquet. Altogether 10 state insurance departments were represented, including New York, with Thomas Morrill. The outside speakers included Alfred

M. Best, whose observations are reported elsewhere; C. M. Cartwright of The NATIONAL UNDERWRITER; A. L. Kirkpatrick, insurance manager of U. S. Chamber of Commerce, and L. H. Sanford deputy commerce, and L. H. Sanford deputy commercioner of Michigan. ford, deputy commissioner of Michigan, who gave a sketch of the proposed new combined annual statement form for fire and casualty companies which has just been put in the hands of the comnissioners association by industry con-

The three expiring seats on the gov-(CONTINUED ON PAGE 20)

Headaches of Assigned Risk Plan Outlined

Members of National Assn. of Independent Insurers were given an intimate insight into the ideological and procedural difficulties besetting the automobile assigned risk plans in the wake of the Keystone Mutual Casualty blowup and the more selective underwriting policy of all companies. A panel of four men, each of whom is a member

of the governing committee of the assigned risk plan in his state, discussed in a spirited way the various questions that are aris ing and members of the audience popped up a half dozen at a time with questions.
Adlai H. Rust, State Farm Mutual Automobile, president of the association, finally had to put an end to the discussion because time was running out.
At the conclusion C. B. Kenney of

Allstate gave a report on the delibera-tions that have been taking place on the part of a committee of National Bureau, American Mutual Alliance and N.A.I.I. representatives on a proposed new uniform assigned risk plan law. It is expected that this will be submitted to National Assn. of Insurance Commissioners at its December meeting.

Members of Panel

Members of the panel were Lawrence Powers, Detroit Automobile Club; Fred Miller, Hawkeye Casualty; George Ca-sey, Motor Vehicle Casualty, and C. W. Eberhard, Farm Bureau Mutual Auto-mobile of Columbus. mobile of Columbus.

The first question that was asked was whether an investigation fee should was whether an investigation fee should be charged for applicants for assigned risk treatment. Mr. Casey was decidedly in favor of such a plan, saying the fee should be \$5 for a private passenger car, \$10 for a truck and \$50 for a fleet. If the applicant accepts the assignment, then his fee should be credited to the remaining but if the applicant does not then his fee should be credited to the premium, but if the applicant does not accept the assignment, then he should forfeit the fee to the company. Mr. Casey said that about three out of four risks that come up for assignment accept what is offered and the companies are put to investigation expense in connection with risks that back out. nection with risks that back out.

Mr. Rust injected the comment that this would probably tend to keep out the "shoppers" and make the applicant canvass the open market before seeking assignment

Letters of Rejection

Another question was whether the practice of requiring three letters of rejection should be done away with, and some other prerequisite obtained such as an affidavit on the part of the appli-cant as to what efforts he has made to

obtain coverage.

Mr. Powers said that the letters of rejection are a farce. Various agents get together and exchange letters and they have no significance.

One suggestion was that at least the first letter or rejection should come from the company that has had the risk for

the immediately preceding period.

Then there was a question as to whether an attempt should be made to

whether an attempt should be made to define more closely what constitutes "good faith" in connection with the provision that the applicant should be is good faith entitled to insurance.

Mr. Casey said that the right to drive an automobile is not something that is God-given. It is a privilege given by law and aside from the fringe cases whereunder the driver is too young or too old, the car is old or there are physical impairments, most of the cases that come into the assigned risk plan that come into the assigned risk plan are those who had their driving privirevoked.

Many of those are persons who have little consideration for their fellow man. He contended that the assigned risk plan should operate to help only those whose indicates that they have been rejected for insurance on grounds other than a lack of consideration for the state and for their fellow man. He said

the company should not be obliged to take persons engaged in illegal occupa tion or those who have been convicted

tion or those who have been convicted for certain offenses.

"Why should we put them on the highway and let them endanger lives?" he asked. He said that a broad definition of "good faith" should be established in the interest of protecting the general public.

Mr. Powers for the sake of argument.

general public.

Mr. Powers, for the sake of argument, remarked that a man still might be a good automobile driver, even though he had a prison record. Mr. Casey replied that the important thing is that he should have a proper attitude toward his fellow man his fellow man.

Then there was a question whether a named operator policy should be issued on some risks.

Might Not Be Permissible

Mr. Powers replied that this would be a good procedure if it were permissible. However, he said he doubted if such a policy would qualify under the state law. Mr. Rust said the problem might be epitomized by saying that a company might not object to insuring one kid, but it doesn't want to insure the whole high school." Mr. Casey said that they had an assignment on an 85-year-old man and issued him a named year-old man and issued him a named operator policy. There was considerable heat engendered by this, but the man had an 82-year-old wife who was also a driver and Motor Vehicle Casualty stood its ground, saying that if she wanted assignment, she should come in and get it also. and get it also.

Then came the \$64 question of wheth-commissions to agents should be eliminated.

Eberhard said that the assigned risk setup is a burden shared by all seg-ments of the insurance business. It is more than a pure gratuity which the insurer is providing.

Casey Against Commissions

Mr. Casey said in the Illinois plan, a fleet of 25 substandard cabs was submitted. Members of the governing com-mittee looked into the market and found that there was a place where this risk could be supplied with coverage, but the insurer would pay no commission. Apparently the agent had gone to the assigned risk plan as a means of getting some commission. The management of the plan rejected this on the ground that there was a market for it outside. He said he could see no reason why a com-mission should be paid on assigned risks.

Mr. Miller said that he is opposed to paying commissions. Agents are using the plans as a dumping ground for bor-derline business and they think of it as

being a pool rather than a plan.

Mr. Powers asked how legally a company could pay a commission to an agent who is not licensed for that particular company. He said no service is performed by the agent. He expressed the belief that eliminating commissions would greatly reduce the number of as-

Then the question came up whether all types of risks should be accepted in order, or whether consideration should be given to the facilities of particular insurers for giving service. This turned out to be a highly provocative question.

Mr. Miller was the only one who took the position that the company should

accept any risk that came its way in the normal progression. He alluded to the argument that a company who does not have facilities to service certain types of risks such as cabs, long haul trucks, etc.,

(CONTINUED ON PAGE 23)

Boiler-Machinery Woes Related to Buyers at New York

Rate Level Debased in Period of Rising Prices, **Increasing Accidents**

NEW YORK-At the meeting of Risk Research Institute here R. P. Griffin, district field manager of Mutual Boiler, discussed trends in modern boiler and machinery coverages. In general, he said, boiler and machinery has been an unprofitable line because of equity rating, and the late rate war which left the companies writing insurance at reduced premiums during a period of rising prices. One company ceased writing prices. One company ceased writing the line entirely this year and another has curtailed its activity with a possible view to ultimate retirement.

He offered statistics showing the effect the rate war has had on rates since May 18, 1942. They are:

Boiler Mach'y

May 17, 1942......100 % 100 % Feb. 1, 1943 (H.S.B.) 95.2 88.3 May 1, 1943 (N.B.).. 81.3 77.3 The rate level of the present manual compares with that of previous manuals

as follows:

Combined B. & M. Change from May 17, 1942

group coverage in the boiler and ma-chinery field which did away with the former book policy which frequently consisted of 100 pages describing as many as 1,000 objects.

Experimentation Going On

He mentioned the development of the He mentioned the development of the blanket boiler and pressure vessel form and dealt with the explosion clause of the fire policy. He said studies are now being made on providing blanket machinery insurance designed to cover all equipment used for the generation, transmission and distribution of mechanical and electrical energy.

The newly enacted rate regulatory laws placed impediments in the way of developing new coverages because of the peculiar regulations of certain states and the attitudes of insurance commis-sioners in others. He said that there is a trend on the part of some states to go beyond the intent of public law 15

go beyond the intent of public law 15 and regulate insurance in such a rigid manner as to discourage competition.

He cited the development in recent years of the "actual loss sustained clause" in use and occupancy forms, without a specified daily indemnity, and showed how it was an improvement over the old valued form U. & O. policy.

Fire Companies Create Problem

The tendency on the part of fire companies to broaden the scope of their protection under the explosion and extended explosion clauses has created a problem for boiler and machinery underwriters, he said. During the past several years fire companies have gradually extended their explosion form to include all kinds of pressure vessels irrespective of pressure, many of which respective of pressure, many of which would normally be insured under a boiler policy. The fire policy premium is small compared with that charged by

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the boiler carriers. However, the in-spection service offered by the boiler carriers is not available under fire com-pany coverage. This poses a problem pany coverage. This poses a problem for the buyer particularly when blanketgroup coverage is written in his boiler policy. Frequently it produces a situation where both the fire company and the boiler company participate jointly

Speaking of premium gradation, he pointed out to the buyers that since 1942 a plan has been in effect for applying a discount to a premium in excess of a specified minimum. The present manual provides for a flat discount ent manual provides for a flat discount of 25% on premiums in excess of \$3,000. The effect of this discount, however, will not be known until country wide statistics filed by all companies with the National Bureau have been analyzed. It was estimated when the present manual was adopted that the rate level after gradation would be alyzed. It was estimated when the present manual was adopted that the rate level after gradation would be 5.8% less than the level before gradation prior to May 18, 1942. He also mentioned that a retrospective rating plan is now being considered but said that some authorities frowned on it as not being applicable to a catastrophe business such as boiler and machinery. As to reinsurance he stated that the

As to reinsurance he stated that the demand for higher limits, particularly with respect to U. & O. has made it

necessary for the carriers to lean heavily on other companies for reinsurance. No great difficulty was encountered in this respect, he said, until the middle of last year when the largest loss in history occurred as the result of the explosion of a paper machine roll. That loss approximated \$4 million.

Since then the reinsurance market has been tight. Retrocessional facilities were reduced and it became increasingly dif-ficult to obtain facultative accomoda-This has resulted in the splitting of heavy lines between carriers, ever the reinsurers face the possibility of an overline arising out of automatic treaties. He pointed out one case where a company had been asked to take a large U. & O. line stating that its normal capacity would have been \$6 million, but because the other carrier had reinsurance with the same company, the company's capacity was limited to \$1 million.

One of the reasons for the tight rein-surance market, he said is that Lloyds is surance market, he said is that Lloyds is the ultimate source of all reinsurance in this country. London's attitude conse-quently governs individual company ca-pacities and the rates for reinsurance. He remarked that leading insurance men in the U. S. deplore the necessity of relying upon the London market particularly when it is realized that the

financial resources in the United States, properly harnessed, are more than adequate to absorb amounts even greater than those which are now available in London.

Efforts to combine these resources are impeded by laws which prevent any one company from assuming liability in excess of 10% of its surplus, by hesitancy on the part of American companies to extend to others their full legal ca-pacity and lack of initiative. In his talk on "Boiler and Machinery

In his talk on "Boiler and Machinery Safety," J. F. Hunt, chief inspector at New York office of Hartford Steam

New York office of Hartford Steam Boiler, focused attention on the increase in preventable accidents and said that there is cause for alarm.

He stated that boiler and machinery accidents produce a severe drain on industry and a heavy economic waste, and commented that most accidents result from failure to observe the fundamental principles of operation and maintenance. principles of operation and maintenance. Some of these accidents have resulted

from changes in the design of machin-ery. But in a large part they are the result of carelessness, ignorance, indifference and shortsightedness

He said management and operators are responsible for the accidents because lack of maintenance is basically one of the principal contributing causes.

During the decade preceding the war the training of new operators practically ceased because the supply of manpower was out of proportion to industry's re-quirements. Then the war diverted the quirements. Then the war diverted the normal flow of potential replacements that would otherwise have entered the engineering field. Thus, he said, indusengineering held. Thus, he said, indus-try now finds itself without the supply of experienced personnel that was for-merly available and it has been found necessary to employ men who have had no training and who through necessity have been put into jobs for which they were not qualified.

No Post-War Improvement

He said the insurers were justified in expecting a rapid post-war improve-ment. But this improvement has not materialized. On the contrary there has been an increase in accidents of the

type that can be prevented.
"There is today," he said, "a rapidly growing tendency to equip boiler plants with automatic controls through the exclusion of competent operators, and a feeling of false security is easily assumed when units are so equipped. Unless such controls are properly maintained they will not prevent accidents. In many instances the importance of providing the registerance for the control.

viding the maintenance for the control has been entirely overlooked."

His company, in one year investigated 1,018 cases of accidental over-heating. Three hundred sixty-seven of these cases resulted from carelessness or cases resulted from carelessness or ignorance on the part of the operator. The monetary value of the insurance losses resulting from these 367 manmade accidents was \$323,381. During the same year 28 instances of collapsed furnaces in Scotch marine type boilers were investigated. In earlier years such failures were almost invariably due to scale and oil but now other causes of failure predominate. Of the 28 cases of collapsed furnaces only one was the result of scale and 27 were caused by low water. Nine of the low water cases were caused by inattention of the operlow water. Nine of the low water cases were caused by inattention of the operator. The remaining 18 were due to the failure of automatic controls. He said that the incentive for good house-keeping was soon destroyed if the boiler commerce of the control of the control of the control of the case of the control of the case of the keeping was soon destroyed if the boiler room or power plant was allowed to become a storage place for unwanted or surplus parts of materials.

Other speakers were R. F. Cavanagh, of Marsh & McLennan, and R. T. Sprague, insurance manager for Electric Advisers. Inc.

Advisers. Inc.

Mr. Sprague said buyers want a single definition of accidents applicable to all types of machinery, blanket coverage, simple forms, and simple rating methods. He suggested that boiler companies try to emulate the fire policy so that insured will know whether he is covered or not. In objecting to the "complicated" boiler policy, he decried the manual which lists countless objects,

and the definitions of accident which are "technical in character, and confus-ing in meaning." Instead of the excluons in the policy which the compa-es "insert to avoid maintenance losses"

he urged use of a deductible. The policy should be written on all risk basis.

He wants the liability clause removed from the B. & M. coverage and a separate policy written to cover all of a firm's liability. He proposed that the liability be written separately from the property damage and the U. & O.

Five N. Y. Banks Defrauded of More Than \$100,000

YORK - An ex-boilermaker from Brooklyn has been arrested by New York City police and charged with forgery which resulted in defrauding forgery which resulted in utilities five New York City banks of more than

New New York City banks of more than \$100,000.

As the story is related by Lieut. Grover Brown of the forgery squad, Carmelo Milana in a kiting scheme took \$56,000 from Lawyers Trust Co., on which National Surety carries the bankers blanket bond; \$12,800 from Bank of New York, on which the bond is written by Indemnity of North America and Fidelity & Casualty; \$8,728 from National City Bank, which has its coverage in London Lloyds, and \$8,600 each from Manufacturers Trust Co., where the coverage is in Lloyds.

Milana stated that two other men were in on the deal with him, one known as the "boss," a bookmaker, who interested Milana in a \$100 a week job cashing big checks from his bookmaking activities. Milana established a saving account at one bank in order to obtain

activities. Milana established a saving account at one bank in order to obtain references and a checking account at a second bank, carrying on the business for several days to let them get used to him. He gradually reduced the accounts, then hired a messenger and late one afternoon sent him with a worthless check for \$3,000 drawn on the first bank to be deposited in the second bank to be deposited in the second bank Early the next morning, before the check cleared, he sent a messenger with a withdrawal check to the second bank, then took the money and disappeared.

then took the money and disappeared.

The scheme worked so well be branched out. He established legitimate accounts of \$1,500 with three brokerage firms in Wall Street. After looking over an order of stocks, he would change his mind and ask for his money back. Each firm gave him a check. He obtained checks from the bank each firm used the circular than the circu and forged the signatures of the broker-age firm officers so well that he go more than \$100,000. He claims he only retained 25% of the profits and the res

C.P.C.U. Daughter



Elisabeth McCain, assistant underwrite Elisabeth McCain, assistant underwind in the Aetna Casualty home office, is emgratulated by her father, Ross McCain president of Aetna Fire group, on the cut ferment of the C. P. C. U. designation of Miss McCain at a meeting of the easter chapter of the society. She is the third woman to win the honor.



It Takes Teamwork

The teamwork of hunter and dog is needed to bag the limit in the field . . . and the teamwork of Company and Agent is necessary to build Insurance sales. HAWK-EYE-SECURITY Agents benefit by this teamwork. ... The teamwork of speedy, efficient underwriting and claim services. . . . The teamwork of highly trained Field Representatives who are available at any time to help Agents make sales. These are just some of the reasons that Agents like to do business with . . .

HAWKEYE CASUALTY CO. SECURITY FIRE INS. Co.

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Associated Changes Policy Forms, Raises Rates

November 27, 1947

Rate increases and changes in policy forms for commercial and private aircraft have been announced by Associated Aviation Underwriters. Commercial rates have been increased effective immediately and private pleasure rates will change as of Dec. 1.

mediately and private pleasure rates will change as of Dec. 1.

For the first time the group offers medical payments coverage.

A 25% loading is applied to any but new aircraft. The participating form in general will no longer be written.

Hull cover is now available under three forms for either private or commercial aircraft. The first is an all risks policy for fire, theft, wind and land damage, but excluding loss when the plane is in motion under its own power (crash and taxing). The second form is all risks excluding loss while in flight, and the third is all risks ground and air. There is a mandatory deductible on all policies of 10, 5 or 2½%. The deductibles apply to all losses except fire and theft. For aircraft not hangared, the charge is \$1 per \$100 additional.

Private plane passenger liability rates additional.

Private plane passenger liability rates

additional.

Private plane passenger liability rates have been increased 20% in lower limits, with a somewhat higher percentage increase as the limits increase. Public liability rates are up about 30% in the lower limits with an increasing percentage, and P.D. rates have gone up 40% in the lower limits and higher for the larger limits.

Commercial P.D. is up about 37% at low limits with an increasing percentage; P.L. is up 33% for the lower limits, and commercial for hire is up 15% in the lower limits. Passenger liability rates have not changed in the low limits, but there is an increase for higher limits.

Associated has also brought out a new accident policy, under a "schedule" form of contract. It has been test sold in California for more than a year. The new, form offers death and dismemberment with or without medical reimbursement or weekly indemnity either individually or in combination on the same form without the use of endorsements. Coverage may be obtained whether it is for passengers on schedsame form without the use of endorsements. Coverage may be obtained whether it is for passengers on scheduled airlines, non-scheduled aircraft, or for students, private or commercial pilots. There is a new application form, but rates have not been changed.

The policy can also be used to write foreign trip coverage for a period of two to 11 months. This is an all coverage accident form and premium is determined by destination.

The increases make Associated's rates approximately the same as those of United States Aviation Underwriters.

Salute Gen. Bowie on Retirement

NEW YORK—Members of the surety law committee of Assn. of Casualty & Surety Companies paid tribute to Gen. Washington Bowie, Jr., dean of surety lawyers, on the occasion of his forthcoming retirement as vice-president and general counsel of Fidelity & Deposit. He was guest of honor at a testimonial luncheon here.

General Bowie has been on the surety law committee for many years, and since 1942 has been chairman. He has had a close hand in handling practically every significant legal problem which has confronted the surety business for the past several years.

Other guests in addition to the members of the committee were J. Dewey Dorsett and Ray Murphy, general manager and general counsel, respectively, of the association, and Martin W. Lewis, general manager of Surety Assn. of America. A desk clock was presented to General Bowie.

General Bowie is 75. He got his law

degree at University of Maryland in 1896. He joined F. & D. in 1895 and served in the judicial and legal departments until 1909, when he was appointed general counsel. May, 1942, he was elected vice-president and general counsel.

Joining the Maryland national guard in 1889, he served in all grades up to major general until his retirement for age in 1936. He was an infantry captain in the Spanish-American war and served as a lieutenant-colonel on the Mexican border, being promoted to solo. Mexican border, being promoted to colo-nel upon his return. During the first war he organized and commanded the

110th field artillery. He returned from

Can Sue Insurer Directly

Louisiana act 55 of 1930 which permits direct actions against insurers permits such action in the federal courts as well as the state courts, the federal court for the western district of Louisiana decided in Dean vs. Bituminous Casualty. The insurer contended that this act was procedural and confined to the state courts. state courts.

Mrs. Mrs. Dean brought the action on behalf of herself and her minor child

for damages suffered in an auto accident alleged to have been caused by the negligence of an employe of the H. R. Hayes Lumber Co. which was insured in Bituminous.

Buckeye Union Has School

The seventh school of Buckeye Union Casualty and Buckeye Union Fire was conducted Nov. 17-20 at Columbus. There were 36 agents attending. John A. Dodd, Jr., assistant secretary Buckeye Union Fire, and S. W. Schellenger, superintendent of agencies, were in charge.



T. L. HAFF, U.S. Manager

E. BRANDLI, Asst. U. S. Manager

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Independent Group Shows Vitality

(CONTINUED FROM PAGE 17)

erning committee were filled by C. W. Leftwich of Farm Bureau Mutual Automobile and Howard Brown, Detroit Auto Club, who were reelected, and by Irving S. Markel, American Fidelity & Complete who Casualty, who goes on for the first time. Paul Jack of Keystone Auto Club Casualty was elected to take the place of Louis W. Strahley, secretary of that company, who is now on a year's leave of absence

motion was tabled to require that A motion was tabled to require that if a single member of a company fleet is a member of N.A.I.I., all members of the fleet must belong. The membership dues were reduced for small companies operating in a limited territory. It was voted to poll the members immediately on proposed changes in the automobile assigned risk plan.

assigned risk plan.

Mr. Parkinson, in his talk, said that he is glad N.A.I.I. is in existence He said that success of state supervision will depend on how well competition is preserved, and the independents have done much to preserve it. He said that the independent companies, at least in the days before the market estimates. the days before the market stringency, gave Illinois the most intensive period competition that had existed in any ate. He said he likes the idea of companies being so independent that they organize in order to preserve their in-dependence. He expressed the hope that they hold to their objective of "comthey hold to their objective of petitive cooperation."

Edward P. Gallagher of American States, in responding to Mr. Parkinson, remarked that the association now has 64 members, which is an increase of 30%

Mr. Rust, in his presidential talk, said

of skeptics that it would be impossible successfully to put to-gether a company of insurers of such diverse structure and procedures as are found in N.A.I.I.

The lessening of the burdens that

The lessening of the burdens that were originally proposed for incorporation in rating laws, and the removal of certain "obnoxious provisions" resulted largely from the efforts of N.A.I.I. and its representatives, he said. Had it not been for this association, rate legislation that was enacted would have been much more burdensome than it is

more burdensome than it is.

He counselled the association to remain open-minded in connection with any constructive proposals that are made for amendments to rating laws.

Now that laws have been enacted, there is even greater need for collective effort in dealing with interpretations of the laws. There will be different approaches by various departments operating under substantially identical Some officials may seek to impose their judgment upon company executives to a greater extent than

Mr. Rust emphasized that it is not the intent or purpose of these rating laws that any commissioner shall attempt to determine the rate or the plan or method which any company shall pursue in writing its business or applying its rates. The judgment to be exercised must be that of those charged with the responsibility of management in the particular companies and the responsibility of the commissioner is only to see to it that the rate proposed is within the reasonable limit of the statutory requirements. attempt to impose a high degree of uni-formity amongst the companies oper-

ating in a particular state is in direct conflict with the position of the inde-pendent companies, he said. It tends to lessen the opportunity for new develop-ments, and for free competition and is not in the public interest. N.A.I.I. should resist such an attitude wherever it may appear to the utmost. He warned commissioners in their zeal, not to at-tempt unduly to abridge the right of companies to act independently.

Warns Against Jitters

He suggested that companies do not He suggested that companies do not become unduly concerned about the problems of regulation or supervision. If a company makes its own rates, it is now under obligation to be ready to justify within reasonable limits, the price it puts upon the product. In fixing that price there is ample room for the exercise of judgment. Mr. Rust the exercise of judgment. Mr. Rust declared supervisors are obligated to accept the company's appraisal of the value of its product if it falls within the broad limitations that such price shall not be excessive or inadequate or unfairly discriminatory.

He said the company should not expect any delay from commissioners in connection with rate filings. They have the responsibility for reasonably prompt action and irreparable damage can be

done by failure to act promptly.

There is responsibility on management to be realistic about its surplus position in considering any proposed rate change, he said. Commissioners should be sympathetic to any company's effort to improve its surplus position. "It would be most unfortunate if we were to have rate reductions and surplus increases being simultaneously suggested to any company by any department," he declared.

Mr. Rust expressed the hope that supervisory officials will recognize that the independent companies did not create or have a part in the conditions that brought on the need for rate regulatory

laws; that regulation was necessary only to permit certain companies to continue to act in concert, and that independent companies proportionately made a greater sacrifice and accepted greater burdens than any other branch of the industry

Unless a free market is provided and the public is afforded some option as to the rate it pays, then the congres-sional expectation of "competitive rates



on a sound financial basis" will not have on a sound mancial basis" will not have been realized. Mr. Rust went on to say that while he hopes and believes that rate regulation will continue to be under state auspices, "yet, as an organization, we must be prepared to assert our viewpoint should the probability of federal regulation be indicated."

Mr. Pust speks of the statistical place.

Mr. Rust spoke of the statistical plan that has been devised by the association and said it has already been approved by 28 states. It is designed to afford to all companies, regardless of their method of operation, a means of meeting the statistical requirements of the various statutes. It has been set up in such a way that it can be used by every independent insurer.

Speaking of automobile assigned risk plans, he said there is a reluctance to recognize the fact that there are thousands of persons licensed to drive an



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unfit drivers from the highways.

Granted that there is need for an insurance outlet to all those reasonably entitled to protection it does not follow that any and every company should be required to accept any and every type of risk, and that the providing of the outlet does away with the necessity for reasonable screening of the risks.

Mr. Cartwright gave a talk emphasizing the importance of public relations effort that is geared to the true proportions of the entire insurance industry. He contended that insurance has not taken advantage of its full op-portunity to put its best foot forward and that public relations activities should be entrusted to men of superior capacity and they should be given high rank in company and organization struc-

Kirkpatrick Cites Balance

Mr. Kirkpatrick, in his talk declared that both the bureaus and the indepenthat both the bureaus and the independents have their places in the business and the functions that both perform are indispensable. In the pre-S.E.U.A. days, the system in vogue offered to a high degree the stability which comes from uniform rates and the competition and freedom to initiate new ideas in rates and coverages without the too rigid hampering restrictions of rate agreement or governmental regulation. Uniformity and stability on the one hand, and freedom of competition on the other are opposites, he declared. They tend to be mutually exclusive and can only exist in the same market where there exist in the same market where there is applied a proper amount of regulation, but not too much restriction. That

decide which deviation filings are sound and, therefore, can be approved, and which are unsound and must be disapproved. He must try to maintain as far as possible, the delicate balance that has existed up to the present. This will be a difficult task and the commissioners in the future must be men of judgment and administrative ability. Also it will be necessary for the states to increase their appropriations to provide the necessary appropriations to provide the necessary

appropriations to provide the necessary technical staffs. He said he is hopeful that state regu-lation will be made to work successfully. C. W. Leftwich of Farm Bureau Mu-

tual Automobile reported as secretary and Howard D. Brown of Detroit Auto

club, as treasurer.

Then came a very valuable panel discussion on statistics, rate making and filing procedure with Edward P. Gallagher of American States presiding.

The figures in the N.A.I.I. codes, he lagher of American States presiding.

The figures in the N.A.I.I. codes, he lagher of American States presiding.

The figures in the N.A.I.I. codes, he lagher of Auto-Owners; S. Alexander Bell, tomobile Underwriters Assn.

Chicago accountant, whose services are

Statistics furnished by N.A.I.I. would

automobile that are unfit to enjoy the privilege; there is an inclination to let that condition continue rather than to enact and enforce realistic license laws and there is a further inclination to pass the whole burden of this problem on to the insurers rather than for the states to do what is necessary to remove unfit drivers from the highways. a workable plan. He voiced the belief that it meets the requirements of every state and is far simpler than the plans of National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. For instance, he said, whereas the National Bureau has 285 truck codes, N.A.I.I. has but eight.

Mr. Curry said that in the administration of rate laws there will be heard on all sides the request "Let's look at the record." Independent companies in the past, he said, have kept the records on their own bases which range from mea-

their own bases which range from mea-ger to elaborate and inadequate to more than adequate.

Unified Method of Reporting

There is no compulsion under the There is no compulsion under the laws for a company to report on only one fixed statistical plan except in a few states. The N.A.I.I. plan makes available the loss experience of its members. The advantages of the plan, he said, include the fact that it is a unified method of reporting all coverages of a risk; it is inexpensive; it makes provision for companies to develop improved rating plans; it uses only salient data; it fits the statistical plan to the plan of operation rather than vice-versa.

the statistical plan to the plan of opera-tion rather than vice-versa.

Mr. Curry said that there was estab-lished within N.A.I.I. a department to help get the statistical plan approved and to aid member companies on sta-tistical questions. Then there are be-ing set up, regional statistical servicing organizations. These will serve as a vehicle for insurers with a community of interest in the various regions. Local companies can participate. It is expected companies can participate. It is expected that there will be joint committee dis-cussions between the various regional

tion, but not too much restriction. That cussions between the various is, the great problem facing insurance and the states today, he said.

After July 1, 1948 the federal government will have to judge how successfully the job is being done.

It will be up to the commissioner to decide which deviation filings are sound distinction between companied distinction between the various constant cons Mr. Icks stated that the smaller the company, the greater its problems are likely to be. The rating laws make no distinction between companies of various sizes. There will be a natural tendency on the part of the state to consolidate data as far as possible. It will be impossible for a state to let each combe impossible for a state to let each com-pany furnish its statistics on its own plasis. The larger companies could comply readily, even if the state should impose its own plan of statistical reporting, but this would be very difficult for the small insurers.

In indicating the relative simplifica-tion of the N.A.I.I. plan, he said that whereas the National Bureau has 400 automobile codes, N.A.I.I. has but 100. National Bureau has 1,500 general lia-bility codes and N.A.I.I. 130. The bu-

A. & H. Leaders Salute Parkinson



At Chicago A. & H. Assn. dinner for Insurance Director Parkinson of Illinois —H. R. Gordon, H. & A. Underwriters Conference; K. O. Saunders, Globe-Royal-Farler Saunders, Globe-Royal-Eagle; Mr. Parkinson, and Ben H. Groves, Travelers.



SMALL Business BIG Opportunity

The man behind that counter is a small business man: He can be big business for Ohio Casualty agents.

He is a grocer. His store is no larger than the average independent store, yet there are 1750 items in his stock. He has \$200 worth of change in the till.

He may be the grocer, the butcher, the druggist, or one of many other categories of retail trade. Sales of insurance to these little businesses can pyramid into big volume, for the smallest of shopkeepers needs the protection which the right kind of insurance can give.

Ohio Casualty's Storekeepers Burglary and Robbery Policy is modern, packaged protection for the small merchant.

The storekeeper needs adequate insurance. The Ohio Casualty agent can offer it.

Both of them profit through it.

WHAT THE STOREKEEPERS RURGIARY AND RORRERY POLICY COVERS.

THE STORESTED AND DOROTHING ME	IN HODDEN! LAFIEL CALENT
Office and Store Holdup \$250.00	Safe Burglary \$250.00
	Open Stock Burglary 250.00
Kidnapping Coverage 250.00	Dumage
Burglary from Bank Night Depository or Assured's	Residence
Larceny or Embezziement from Premises by identifiable employee,	
(except in Connecticut and Texas)	

For those applicants who do not require the Open Stock burglary coverage, our Modified S. K. Policy is available at reduced cost (except in Connecticut and Texas).

For risks requiring larger amounts of coverage, Ohio Casualty offers a complete line of burglary, robbery and dishonesty insurance, including the popular 3-D policy and the broad form Money and Securities policy. Information about all forms of burglary and dishonesty insurance will gladly be submitted on request.

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be helpful to individual companies in getting rates approved. Also a com-pany can avoid individual publicity on its experience by working through N.A.I.I.

He said that the statistical department of a company merely harvests the crop. The ground work has to be laid in the other departments, notably the claims and underwriting. It is the latclaims and underwriting. It is the lat-ter department that sets the pace and establishes the original policy record. Companies should immediately give at-tention to the problem and see whether additional procedures are required. It

may be necessary to train personnel and hire additional employes. It is neces-sary to see whether a company can operate under the plans that would be required without changing existing pro-cedures. The necessary information must be gotten into the hands of com-pany personnel. Above all, he said, pany personnel. Above all, he said,

lon't wait." Mr. Gallagher emphasizing the ur-Mr. Gallagner emphasizing the ur-gency of the matter, said that companies should now be coding 1948 renewals. Mr. Kenney said that the matter of supporting data is a troublesome prob-

What is needed he declared is a

code of basic principles that companies and states can follow. The aim sho be to require as little information possible. Departments should spec The aim should specify what is wanted rather than merely ask-ing in a blanket way for "supporting

The element of judgment should play an important part in decisions. The cold facts may say one thing, but the outlook ahead may say that the implications of the figure should be altered. The state should recognize the right of a business man to run his business as he sees fit.

as he sees fit.

Independent companies, he declared, should not be bound by the formula of a bureau. It would destroy incentive to go on the basis of an ironclad profit formula whereunder losses and ex-penses are aggregated and a factor is added for profit. This takes care of the need of the least efficient operators but provides no incentive for those that are able to make a better showing.

On the question of whether rates are excessive, Mr. Kenney expressed the belief that the first filer will be the one that sets the pace and subsequent filers should not be required to give supporting data on this point un-less they desire to go higher.

less they desire to go higher.

The matter of adequacy of rates is primarily a question of the amount of surplus that a company has, he said. If a company has been making a profit, the matter of adequacy should not be much to worry about. The matter of much to worry about. The matter of whether the rate is unfairly discriminatory, the amount and kind of supporting data that shoulld be required would vary with the timing. The group that is the first to file might be required to file more in the way of supporting data than subsequent filers.

Mr. Bell said that in the past most of the small companies based their rates on those of the bureau and N.A.U.A. They had no statistical data of their own to go on. There was a certain in-

They had no statistical data of their own to go on. There was a certain interchange of data and ideas between friendly companies. Now any interchange of ideas or joint rate making may be a violation of the anti-trust laws unless the company belongs to a recognized rating organization. The choice for a company lies between isolating itself completely or else joining a legally organized bureau.

The National Bureau and N.A. Con-provide for subscriberships and are urg-ing the independents to join on that basis, he said, but if that is done the subscriber has to follow strictly the subscriber has to follow strictly the classifications, etc., of the bureau. They may deviate only as to the rate itself. However, in the independent bureau, deviations may be by classification, territory, etc. The independent bureau will file for an individual company the lateries. ter's own rating plan. As a subscriber to the bureau or N.A.U.A., an independent company, he said, has no voice in the management. He contended that the ultimate objective in the bureau is complete uniformity and suppression of independents.

In answer to a question, Mr. Bell said that a company can use the National Bureau or N.A.U.A. plan internally, but still can report experience through N.A.II. at a saving in expense. In answer to another question it was stated that as to rate laws, effective Jan. 1, losses occurring on 1948 policies are all

losses occurring on 1948 policies are all that are to be reported.

Mr. Gallagher told of the possibility that states at the end of the year may issue an experience call on some basis or other that was not originally expected and hence, companies should be prepared to start off 1948 by coding their experience so they can comply with subsequent calls. In answer to a question, it was stated that a company with subsequent calls. In answer to a question, it was stated that a company could use the N.A.I.I. statistical plan even though the basis of its deviation was the National Bureau filings. There is complete election as to the statistical method to be used.

There was a question as to whether under the N.A.I.I. plans, the companies would have to continue to punch for

excess limits. The answer was that the division between losses over and under \$5,000 will be continued so that the big shock losses can be excluded. Mr. Kenshock losses can be excluded. Mr. Ken-ney interjected the comment that the rates for excess limits have never been based on actuarial results, however.

There was a question whether a company must belong to N.A.I.I. in order to be a member of the recently organized Midwestern Independent Statistical Service. The answer is that both Midwest and N.A.I.I. will accept members. A company can become a subscriber to Midwest without being a member of

Leave "Comp" Alone

N.A.I.I. is not going into the work-men's compensation field, it was brought

Curry said that an important matter will be to get the states to place their scheduling of statistics on a sup-portable timetable. If all the states should require such scheduling as early in the year as May, for instance, it would be impossible to meet the requirements even if every person in the home office were put to the task. The entire first three months are needed to

entire first three months are needed to prepare the annual statement alone. At the banquet, Irving Markel of Markel Service and American Fidelity & Casualty of Richmond, was master of ceremoines and he delighted the crowd with his witicisms. He pretended to be frustrated by the presence of a sprinkling of wives and he had the group in an uproar. He has a wide range of dialect, from almost damyankee to thickest south and he gave all the stops. Alest south and he gave all the stops. Al-fred M. Best was the banquet speaker, his observations being reported else-

where.

At the Friday morning session, in addition to the talk by Mr. Sanford, there was a spirited panel discussion on problems of the automobile assigned risk plans, which is reported elsewhere, and a report by Erwin A. Meyers of the Chicago law firm of Ekern, Meyers & Matthias of logislative matters.

Matthias of legislative matters.

He told about the enactment of financial responsibility laws and expressed the belief that it won't be long until all states have such statutes. He warned that companies and agents should not sponsor or engage in campaigns for the enactment of such laws.

Cost of Assignment

The inevitable by-product of responsibility legislation is the assigned risk plan. The expense of administration of these plans is high and every effort should be made to cut down the cost. New York and Indiana place the cost of administering responsibility laws on insurers, and this, Mr. Meyers charged, is unfair.

In connection with fair trade practices laws, Mr. Meyers expressed objection to the second section which is the

tion to the second section which is the catch-all provision, providing penalties for practices that the state shall deem to be unfair other than those specified in the first section. The states, he said, should not become excited over unknown unfair practices. Legislature can deal with unfair practices that emerge in the future, as they become known.

He said that the only states that do not now have casualty rate regulation are District of Columbia, Idaho, Missouri, West Virginia and Rhode Island. Such laws may be enacted in District of Columbia and Missouri during the coming year, but legislation in the other three states is unlikely until 1949. Unless public law 15 is again extended there will be quite a problem on how to operate in unregulated states. operate in unregulated states.

operate in unregulated states.

Mr. Meyers said that he can see some advantages that may accrue from the variations from state to state in the rating laws. Experience may demonstrate that one type of regulation is superior to another.

L. H. Sanford, deputy commissioner of Michigan, and a member of the blanks committee of the National Assn. of Insurance Commissioners, in his talk commented on the proposed new annual

mented on the proposed new annual statement blank for fire and casualty

Mr. Sanford observed that the new



For many years Atlantic, originally a marine insurance company, has been engaged in broadening the scope and variety of its insurance services. ([Today Atlantic offers the diversified facilities of 3 companies, writing marine, fire, inland transportation, yacht, property floaters, automobile, liability and casualty insurance. We are gradually extending the territories in which these facilities are available. (Ask any agent or broker placing business with the Atlantic Companies about our financial strength, friendly cooperation and efficient service-including the prompt,

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the new

blank seems to answer the demand for an annual statement that will be intelligible to the insurance buying public. The first two pages are a summary, "shorn of confusing detail," reporting assets, liability, income and outgo on the accrual basis in a manner to which the public is most accumatomed.

the accrual basis in a manner to which the public is most accumstomed.

Removal of the words "ledger," "nonledger," and "not admitted" from the asset page has in one stroke removed one of the major causes of confusion to the public, Mr. Sanford declared. They were terms not generally used outside insurance accounting and conveyed little to the layman.

He also explained that the combination of premiums received into a single figure, and other major groupings of items into a simplified overall statement basis will make the general condition of the company more understandable to its policyholders.

As of Jan. 1, the majority of the public available a

Mr. Lemmon in his report emphasized that there has been created what might be termed "a uniform plan for the recording and reporting of non-uniform statistics." statistics

The plan, he said, is compatible with that provision of the rating laws which stipulates that no insurer shall be required to report its loss experience on quired to report its loss experience on a basis inconsistent with the rating system used by it. To have developed a statistical plan with rigid uniformity would have been to violate one of the fundamentals for which independent companies have fought.

No longer is an independent automobile company required to report experience under two entirely separate plans where the N.A.I.I. plan is approved.

Auto Policy Revision

Mr. Lemmon voiced regret that "some Mr. Lemmon voiced regret that "some of the progressive recommendations" made by the N.A.I.I. committee were not agreed to by the other national organizations for inclusion in the revised form automobile policy, but some of the suggestions made by the committee are included.

The Mexico coverage committee has performed a let of exploratory work

performed a lot of exploratory work with respect to the satisfactory handling of automobile claims for American tourists who are traveling in Mexico. He said N.A.I.I. has been in contact with Mexican insurance company officials at-tempting to negotiate some satisfactory means for the companies to service their policyholders when traveling south of the border.

policyholders when traveling south of the border.

The signs indicate, he said, that the underwriting profit question will not be left alone for scrutiny in the fire field, but apparently it will become increasingly important in the casualty field.

Mr. Lemmon said N.A.I.I. has been able to assist the small companies in their many problems. Such companies need a great deal more of detailed assistance than do the larger companies. There was a strong possibility, because of agitation in certain quarters, that some of the departments were going to require the establishment of stamping offices and audit bureaus to check each and every automobile policy written. In one state there was held a hearing and Mr. Lemmon said he "vigorously opposed this unnecessary and expensive proposal."

"I am happy to report that thus far it appears there is no immediate danger of a bunch of new stamping offices being created."

of a bunch of new stamping offices being created."

The association is composed of 30

ACCIDENT AND HEALTH CLAIM ADJUSTERS

Well known casualty company has openings in Detroit branch and home office for qualified men with knowledge of accident and health claim work. These are permanent situations offering unusual opportunities in a nationally known multiple-line insurance company. Outline full experience, details and salary requirements. Address O-7. The National Underwriter, 175 W. Jackson Blvd., Chicago 4. Illinois.

stock companies, 25 mutual companies, eight reciprocals and one Lloyds. The members and subscribers will write over \$300 million this year.

Newhouse & Sayre,

Employers group and Newhouse & Sayre have terminated the agreement under which the latter acted as aviation general agents for the group, as of Dec. 31. This action has been taken because of the present conditions in the aviation business and Employers' desire to reduce aviation writings.

As of Jan. 1, the majority of the Employers general agencies and branch offices will have available aviation underwriting facilities.

derwriting facilities.

Newhouse & Sayre will continue to handle until expiration all monthly reporting forms as well as endorsements and cancellations of outstanding policies. No new or renewed business having an inception date on or after Jan. 1 will be written by Newhouse & Sayre.

The change in no way affects the representation by Newhouse & Sayre in New York as borough agents for casualty lines of Employers.

Headaches of Assigned Risk Plan Outlined

(CONTINUED FROM PAGE 17)

continued from PAGE 17) should not be compelled to take on such business. He contended that this was actually a bogeyman. "What do you mean by service?" he asked. "You aren't going to put on a safety man for just one cab or one truck."

At this point Mr. Casey got a great laugh when with vehemence, he took the microphone away from Mr. Miller and said: "Give me that thing."

He declared it is not in the public interest for an insurer to take buses and

terest for an insurer to take buses and cab risks if it cannot provide the required service. After all, he emphasized, the public rides in the cabs and their safety should be looked after. He contended that the assignment should follow the normal course of business of an insurer.

Mr. Powers at this point remarked that the Keystone Mutual Casualty is the thing that has caused most of the

the thing that has caused most of the trouble.

Mr. Eberhard seconded the theory that assignment should be made to companies that have the service facilities to improve the risk.

Mr. Miller indicated that in Iowa in some places companies were able to limit the policy of a trackman to a single state, but the other members of the panel felt that this would not generally be permitted.

Mr. Eberhard said that in Ohio, following the Keystone Mutual failure, the companies that were assigned cabs and trucks were given a credit of eight, and the risks could be surcharged as high as 50%. Due to the latter feature, many of the risks found placement in the open of the risks found placement in the open market.

Market.

One member of the audience expressed the belief that a company should not be penalized by receiving an unusual number of bus and truck risks simply because in its ordinary course of the property of business, it occasionally writes such

A member from West Virginia said that in his state, a company is not permitted to put a radius endorsement on risks. Such a restriction is not found elsewhere, however.

elsewhere, however.

There was a question about gas and butane transport trucks which nobody wants. It seemed to be the consensus that companies should be permitted to jack up the rates upon assignment, to such a point that the agent will be induced to submit the proposal to the specialty market that will take such business at a price. In other words, the assigned risk plan should not be used as a bargain counter for this type of risk.



equipped to know the easier way to handle bonds.

We have taken the red tape out of the bonding business; we recognize no competitor in the many innovations which we have adopted for the agents' convenience; among the many features we have to offer are:

> Competitive rates — a handy rate manual (you have never seen one like it!) - order blanks in place of applications for preferred business — streamlined application blanks (as short as we can make them) - bond forms in pads-executed padded bonds for most frequently used bonds, such as notary, beer, liquor, etc. (use like insurance policies) - the most attractive agency and notary signs - a handy kit of supplies (not bulky).

It will cost you nothing to have our representative call and show you how we have improved upon the old fashioned method used by most companies. We will appreciate an invitation to call.

WESTERN SURETY COMPANY

ONE OF AMERICA'S OLDEST BONDING COMPANIES

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ACCIDENT AND HEALTH

Report on Results of A. & H. Industry Survey

The importance of a continuing and practical public relations program was considered one of the most significant problems in the accident and health inproblems in the accident and health in-surance industry, according to results of the "industry survey" undertaken by the Disability Insurance Joint Committee last summer, as reported at a meeting of the committee in Chicago. The comof the committee in Chicago. The committee, a liaison group composed of members from company and agents' associations, polled a representative cross section of the disability insurance business, including home office executives, insurance department officials, general agents, managers and producing agents. Other questions raised by the survey show that underwriting, claim procedure and agents' training were listed as being important areas in which need for

being important areas in which need for study by the industry is indicated. Recommendations for broader and

more liberal policy coverages consistent with sound underwriting practices were

received from 90% of the home office officials, 50% of the general agents, and 33% of the producing agents reporting. Of this entire group, 11.8% felt that insuring substandard risks is an important

problem.

Claim procedures also received attention from all levels of the industry. Fur-ther development of intensified training

ther development of intensified training programs for agents was listed as a major problem by the general agents participating in the survey.

The questionnaire was designed to find out what the industry itself thought are the three greatest problems of health and accident insurance today. Analysis of the results reveals that there was a crystallization of opinion regarding the problems of the industry and a comproblems of the industry and a composite picture of the tabulation presents a clear indication that in general various segments of the business agree on specific problems.

Reverse Okla. Group Ruling

The University of Oklahoma is authorized to purchase group insurance for

students taking flight training and to pay premiums from enrollment fees, according to a reversal of an opinion previously handed down by the attorney general's office.

Nearly 100 Attend Sales Congress at Salt Lake City

Nearly 100 accident and health men from Utah, Idaho, Nevada and Wyom-ing attended the sales congress of the Utah A. & H. Club at Salt Lake City.

ing attended the sales congress of the Utah A. & H. Club at Salt Lake City. There was an excellent roster of speakers, including several officers of the National association.

Walter M. Jones, Business Men's Assurance, presided, and Persyl Richardson, president, welcomed the delegates. Gibert Knight, Cleveland, president of the National association, spoke on "A Blue Print for Progress." He cited the growth of the business and the broadening of policy forms as an example of how insurance has developed to fit the needs of the public.

O. J. Breidenbaugh, Indianapolis, executive secretary of the National association discussed the need of greater education for agents. Robert J. Costigan, Business Men's Assurance, Kansas City, talked on "Answering Objections."

F. Edward Walker, Mutual Benefit H. & A., presided at the luncheon, at which Dr. A. Ray Olpin, president University of Utah, spoke.

D. C. Stephens, Security Life & Accident, was in charge of the afternoon session. Eugene F. Gregory, B.M.A., Denver, first vice-president National association, discussed closing arguments. Mr. Costigan led a panel discussion of five salesmen from Utah and Idaho to close the session. close the session.

A. & H. Man's Job Is to Sell Guaranteed Income

Walter F. Schmitz, accident at health supervisor of Occidental Li-addressed the Los Angeles Accident

addressed the Los Angeles Accident & Health Underwriters Assn. on "Modern Sales Methods."

He said less than 30% of the people carry disability insurance and a smaller number carry hospital insurance. He said accident and health men should not be in the business simply to sell hospital coverage. They should, he held, sell their prospects a guaranteed livable income. He told the agents it is their job to get out, see people, and prevent governed. to get out, see people, and prevent gov-ernment action. He remarked that a lot of the accident and health men go out and build up a fantastic structure without selling a guaranteed income to the prospect. Selling a guaranteed income is the only method of properly selling disability insurance. The blunders of the salesity insurance. The blunders of the sales-men, he declared, are giving some of the insurance departments considerable

concern.

He defined a good prospect as one who has the ability to pay and is in good health. Having such a prospect, the agent should talk additional life insurance as well as disability. Pointing out that some life policies provide for waiver of premium, he declared that valves of premium is only contributed. for waiver of premium, he declared that waiver of premium is only partial coverage because, while it does waive premium payments, it does not cover payment of income, and that is where trouble comes in. Accident and health insurance, he said, pays more claims than any other line of insurance.

Report on Hospital Insurer

Associated Hospital Service of Illinois, with headquarters at Chicago, had assets at Dec. 31, 1946, of \$117,099 and surplus \$21,539, according to the report of an examination by the Illinois de-

partment.

The examiners state that the cash position is ample for all operating requirements, claims are paid promptly and, with the exception of direct payments to subscribers, appear to be paid in accordance with policy provisions; it does not appear that the contract forms and rates of payment to contract hospitals have been approved by the department of public welfare; the bylaws do not fully conform to the pro-

visions of the non-profit hospital plan act; it appears that since the filing of the 1940 statement, the organization has greatly underestimated the year end claim liability, and the unearned pre-mium has been greatly underestimated.

mium has been greatly underestimated. Correction of these items accounts for the decrease in surplus for the year. President is Dr. Harry E. L. Timm; vice-president David A. Lofgren, secretary David C. Trager and treasurer, Judge J. R. McSweeney.

During 1946 David C. Trager was paid \$9,600 as salary for active employment as hospitalization director. M. M. Goldman received \$12,600 as executive director, but is not listed as a director. director, but is not listed as a director or officer in the schedule furnished the examiners.

"In connection with the above mat-ter," the report states, "a review of newspaper advertisements in current use indicate the extensive use of the following statement: 'Associated Hospital Service is a not-for-profit corporation—all officers and directors serving without rank'?"

without pay."

The report states that it was noted from the office copy of the 1946 annual statement filed with the Illinois depart-ment that M. M. Goldman is listed as a director.

premiums were claims \$275,311, expenses \$148,620. Premiums earned were \$404,803, losses incurred \$294,695, expenses incurred \$148, 623, underwriting loss \$38,516, loss ratio 72.79 and expense ratio 36.72.

S. F. Producers Group Meets

The newly organized Accident & Health Underwriters Assn. of San Francisco will meet Dec. 9, featuring a panel of speakers. W. E. Lebby, Massachusetts Indemnity, Los Angeles, will be

setts Indemnity, Los Angeles, will be one of the speakers.

H. D. Quigley, Mutual Benefit Health & Accident, president, reports that it starts off with about 100 members, mainly personal producers with applications still being received from nearby territories. Mark Barichievich, Occidental Life, is exercted. tories. Mark Bar Life, is secretary.

American H. & L. Changes

American Hospital & Life has transferred Jack R. Frost, supervisor at Houston, to Austin to succeed W. H. Miller, who desires to devote his entire time to personal production. R. P. Mc Grew is transferred from Waco, Tex, to Shreveport, La., to open an office there, the company having been licensed in Louisiana. O. G. Scott goes from Kansas City to Waco as manager.

Fee to Illinois Mutual

Frank I. Fee has joined Illinois Mutual Casualty in the home office agency department. He will organize and develop the central Illinois territory.

Mr. Fee was formerly at Cleveland with Continental Casualty in the undersitive continental departments.

writing claims and agency departments.

Talk on Traffic Hazard

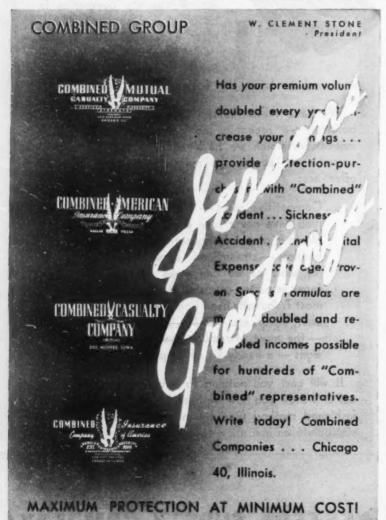
Louis Antoine, St. Louis manager of American Automobile, spoke on "The Hazard from Traffic Accidents" at a luncheon meeting of the Accident & Health Underwriters Assn. of St. Louis.

Hear Clough at Columbus

Stanley A. Clough of the Farm Bu-Assn. of Accident & Health Underwingers on "Organized Presentation." He explained sales essentials which, the speaker said, are so easily and frequently

The Accident & Health Managers
Assn. of San Francisco will hold its
Christmas luncheon Dec. 19. Ross
Coker, Retail Credit, is arrangements

Main & Baker, adjusters, announce that the Aberdeen, S. D., office and the territory it served will be under the management of Main & Baker, Inc., of Sioux Falls, S. D.



1886-OVER A HALF CENTURY OF SERVICE-1947

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. P. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

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NEWS OF THE CASUALTY COMPANIES

American Casualty to Ease Strain

A proposal to reduce the capital of American Casualty of Reading from \$2 million to \$1½ million will be voted on at a meeting of stockholders Dec. 30. At the same time stockholders will be asked to approve the issuance at a later date of 150,000 additional shares of \$5 par capital stock.

Inasmuch as the Pennsylvania law requires a minimum par value of \$5, the proposal is to reduce the number of shares from 400,000 to 300,000. Each stockholder will receive ¾ of a share for each present share held. Dividends would be increased from 60 cents to 80 cents per share.

The release of funds to surplus is

cents per share.

The release of funds to surplus is necessitated by the sharp increase in premium writings of American Casualty and American Aviation & General. The combined premium income for the first nine months of this year was \$12,143,000 compared with \$11,202,000 for the parallel period of 1946.

Slight Decreases in Texas "Comp" Rates Indicated

Following the public hearing on workmen's compensation insurance before the Texas Board of Insurance Commissioners Paul Benbrook, casualty actuary has announced a reduction in compensation rates for the manufacturing and oil industries are in prospect but that no change is indicated in other groups. He predicted a 1.76% reduction in over-all average rates. While the board has not yet taken action, Mr. Benbrook estimated the rates would be decreased approximately 1.5% for the manufacturing industry and about 2.9% for the oil mdustry. Any change in rates will be effective Feb. 1, 1948. Employers of Texas labor and the insurance fraternity clashed at the hearing. B. H. Mitchell of Texas Employers, insisted that profits are not now excessive while Ralph Soape of Insurance Buyers Institute claimed that the Texas rates are 36% too high and that some \$37,000 000 more premiums than necessary have been collected in the

some \$37,000 000 more premiums than necessary have been collected in the

necessary have been collected in the past 11 years.

Casualty Commissioner Gibbs reported that preliminary figures indicate a rate reduction averaging 1.7% is justified, while A. Z. Skelding, actuary of the National Council on Compensation Insurance contended that a 1.3% decrease should be made Feb. 1.

Hugo Swan, attorney representing a group of employers, and Lawrence Jones of the Mosher Steel Co. argued that much greater reductions than indicated by Commissioner Gibbs were in order because the insurance companies

cated by Commissioner Gibbs were in order because the insurance companies had made excessive profits in recent years and because of the present all-time high payroll on which premiums are based. Mr. Jones predicted that wages will rise higher and full employment will continue. He said the board was too cautious in setting rates which would guarantee the solvency of carriers. Mr. Swan said that Texas laws eliminate competition and foster monopoly. Several speakers indicated that the 1949 legislature will be asked to amend the workmen's compensation act.

Commissioner Gibbs said a future hearing will be called to determine whether or not employer's experience in other states will be considered in setting

other states will be considered in setting Texas rates.

Report on Ill. Reciprocal

Aer-Auto Inter-Insurance Exchange of Kankakee at March 31, 1947 had assets \$146,676 and surplus \$39,427 according to the report of an examination by the Illinois department. Guaranty fund certificates outstanding totaled \$121,000 \$171,000.

Aerinautic & Automotive Insurance

Agency is attorney-in-fact. The writing of aircraft hull and liability insurance is being gradually discontinued, and writings are mainly confined to motor vehicles. F. Waldo Roth is president, W. P. Beckers, secretary and Viola Gianopoulos, assistant secretary.

The exchange has three aircraft reinsurance treaties with London Lloyds.

For the first three months of this year premiums were \$31,615 and losses paid \$28,448.

paid \$28,448.

The examiners state that a marked reduction in premium writings resulted in a decrease in premium reserve and a corresponding increase in earned premiums. The loss ratio improved due to higher premium charges and underwritations. ing improvements.

Mutual Formed to Write Livestock Cover in Md.

Livestock Cover in Md.

BALTIMORE—Maryland Livestock Ins. Co., a mutual, has been formed here to write mortality, floater and trip transit livestock risks in the state. The company, which has placed a \$50,000 limit on herds and \$10,000 on individual animals, will reinsure all but 70% of the first \$25,000 of liability.

McCord Sollenberger, whose father was for many years with U. S. F. & G., is president; Kenneth P. Nelson, executive vice-president and treasurer; John P. Pons, vice-president; and these three with Charles E. O'Brien, directors.

Mr. Sollenberger and Mr. Nelson have been agents and are members of the recently formed Baltimore agency of Sollenberger, Nelson & Zeiler. John M. Zeiler formerly was with Firemen's at Baltimore.

at Baltimore.

Livestock rates of the new insurer will be what the other companies now charge in the state.

CHANGES

C. E. Black in Field Work for Hartford A. & I.



Hartford Accident announces the appointment of Charles E. Black, as special agent for all its lines in the loop district of Chicago.

Mr. Black went with Hartford in 1942 and was appointed office manager of the western ager of the western department, which position he has held since that time. During the war he served in the coast guard temporary reserve. His duties in his

His duties in his former position brought him into close contact with agents of the company and his intimate knowledge of company operation and detail of the handling of business will enable him to render valuable service to agents in his territory.

Ure, Cote to Higher Posts in New England Casualty

New England Casualty has elected Kenneth E. Ure, superintendent of the claims department, assistant secretary, and Frederick L. Cote, chief statistician, assistant treasurer. J. Y. Scott, presi-dent Van Norman Co., was elected a

director.

Mr. Ure joined the company in 1946 as superintendent of the claim department. In 1935 he went with American Surety in claim service until he joined

Mr. Cote has been with the company since last May. Starting in 1922 with the Employers group, he rose to chief

clerk in the actuarial department, for both casualty and fire companies. He both casualty and fire companies. He joined Massachusetts Bonding in 1929 as statistician, later becoming office manager as well.

Advance Two Indemnity of N. A. Home Office Men

Indemnity of North America has appointed Robert S. Gillespie superintendent of the special risks department and Ward L. Bloomer superintendent of the newly created forms and filing depart-

ment.

Mr. Gillespie joined the company as office boy in the bonding department in Philadelphia in 1929. In 1935 he was transferred to the Canadian department in the fidelity division. Four years later he was made casualty manager for Canada. He returned to the head office in 1944 and since then has served as

an underwriter in the special risks department.

partment.

Mr. Bloomer has been with the company since 1946. Previously for four years he was on the staff of the insurance section of RFC. Before going to Washington with defense plant corporation, Mr. Bloomer was in the brokerage field in New York City.

Opens Three Claim Units

Hartford Accident has opened claim offices at Amarillo, Tex., Niagara Falls, and Olean, N. Y.
At Amarillo William O. Sherwood, Jr., is in charge. At Niagara Falls the manager is C. Evans Brown who has been at Buffalo.

Edwin J. Murphy is being transferred to Olean from Buffalo.

The Eddy-Hartley agency, Baxter Springs, Kan., has purchased the J. A. Hawkins agency there.



PAYROLL AUDIT SERVICE

ALL AUDITS OF EXPOSURE FOR CASUALTY INSURANCE CARRIERS

Home Office BES MOINES, IOWA Service Offices CHICAGO, ILLINOIS ST. LOUIS, MISSOURI IOWA, MINNESOTA, DAKOTAS, NEBRASKA, MISSOURI, ELINOIS, INDIANA, MICHIGAN UNDERWRITING REPORTS

K. L. PEARCE COMPANY INSURANCE EXCHANGE BUILDING DES MOINES 9, IOWA

FOR OVER TWENTY YEARS WE HAVE SPECIALIZED IN MAKING COMPLETE AUDITS

Austin Joins Va. Surety

Robert P. Austin, fleet safety engineer of National Safety Council for three years, has been appointed manager of the safety engineering department of Virginia Surety.

Prior to joining the council he spent six years as an insurance company

Prior to joining the council he spent six years as an insurance company safety engineer. He is a graduate of the University of Illinois. Mr. Austin will remain active in the National Safety Council program as the representative of Virginia Surety and as secretary of the executive committee of the commercial vehicle section.

Fuld Retires from F. & D.

Sidney C. Fuld, Salt Lake City manager for Fidelity & Deposit for the past 24 years has retired, and will be succeeded by Donald McGregor, an associ-

ate of the same office since 1928.

Mr. Fuld was honored at a dinner tendered by his associates and friends.

Giles to Brokerage Firm

Harry Giles, associate manager of Ohio Casualty at San Francisco, has joined the brokerage firm of L. A. Van Eaton of that city.

Raymond J. Kern has joined the Robinson agency, Erie, Pa., as general claim adjuster. He is a veteran of 20 years' service with Pennsylvania Indemnity, Merchants Mutual Co., Conti-nental Casualty and American Mutual Liability.

SURETY

Sues Nat'l. Surety Under Old Sergeant-at-Arms Bond

WASHINGTON — Without awaiting the outcome of a suit in New Jersey involving the question of surety com-pany liability under a bond renewable annually for an amount greater than the annual amount of the bond, as it had been expected to do, the government has filed suit here against National Surety to recover \$83,879, which the government said represented a shortage in the

ment said represented a shortage in the office of House sergeant-at-arms when it was held by the late Joseph G. Rodgers, predecessor to Kenneth Romney. This was the first disclosure of any charge that there had been a shortage in the office before Romney took it over. Romney was convicted of concealing a shortage of \$121,981 and falsifying accounts, was sentenced, and is now out on bond pending appeal from his con-

for Aggressive Agents

COVERAGE GARAGE LIABILITY

COMPLETE AUTOMOBILE

viction, Great American Indemnity paid \$38,102 under its Romney bond.

District Attorney Fay pointed out Romney was cashier of the House "bank" in the sergeant-at-arms office during the Rodgers regime; also that there is no indication Rodgers knew anything of shortages in the accounts of his office. A large shortage was discovered when the Republicans assumed control of the House last winter.

Persons familiar with the surety situation say they don't know when the alleged loss in the Rodgers regime ocurred. Some think Rodgers may have been insured in the old National Surety Company, as distinguished from National Surety Corp. The government is reported to have made demand upon the latter under the Rodgers bond for payment of the \$83,879, which was refused.

Slate Donegan at N. Y.

NEW YORK — Surety Managers Assn. of the City of New York received nominations of Edmond J. Donegan, Commercial and Metropolitan Casualty for president, and Thomas I. Hall, Em-ployers group, for vice-president. The overs group, for vice-president. The cretary is appointed by the president, he election takes place in December. Martin W. Lewis, manager of Surety

ASSOCIATIONS

Chicago Adjusters Unit Marks 35th Anniversary

The annual meeting of Casualty Adjusters Assn. of Chicago marked its 35th anniversary. The speaker was Thomas M. Coen, recently retired as president of Security Mutual Casualty, and former president of the association.

Mr. Coen recalled the formation of

Coen the organization in 1912, at the time of the inauguration of the workmen's com-pensation act in Illinois. The late Herman Wagner, who was with Employers Liability, was the motivating factor. The occasion represented the end of

20 years of service of R. T. Luce, Casualty Mutual, as an officer and a testimonial was given him by a committee headed by George H. Moloney of Hart-ford Accident, and a gift presented to

Herbert J. Engel of T. H. Mastin & Co. was elected president; C. A. Reid, Liberty Mutual, vice-president, and Mr. Luce, secretary treasurer.

The Christmas party will be held in the Morrison Hotel Dec. 2, to which the

Culkin Buffalo Head

Casualty & Surety Club of Buffalo has elected as president John W. Culkin of Gurney, Overturf & Becker; vice-president, Gilbert S. Hildebrandt, Standard Action Casualty. Aetna Casualty

Form First Aid Units

HARTFORD-Permanent first units for use during disasters are being formed at 14 Hartford insurance companies in cooperation with the Hartford chapter of American Red Cross. Dr. Ralph Secor of Connecticut Mutual Life will head the peut activities.

Ralph Secor of Connecticut will head the new activity.
Participating are Aetna Fire, Aetna Life, Caledonian, Connecticut General Life, Connecticut Mutual Life, Hartford Roiler, London & Lanca-Steam Boiler, London & Lanca-shire, National Fire, Phoenix, Phoenix Mutual Life, Scottish Union, Travelers, Hartford Fire and Hartford Accident.

The Christmas dinner of Casualty & Surety Club of New York will be held Dec. 15 at the Waldorf Astoria. Ashley Bladen, Century, is in charge of arrange

Ries Tuttle, fish and game editor of the Des Moines "Register & Tribune," spoke before the Des Moines Casualty & Surety Club on a recent trip through the northwest.

PERSONALS

John L. Watts, Chicago general agent of Pacific Mutual, was tendered a dinner party on his 35th anniversary with the company. Among the guests were Mr. Watts' two sons, John L. Watts, Jr., general agent, associated with his father, and Robert E. Watts, general agent at Kansas City. Vice-president William M. Rothaermel attended from the home

The agency force concluded a six week drive for business in Mr. Watts' honor and at the dinner presented him new business in excess of \$1 million, evidence of which was in the form of a memorial plaque. He also was the recipient of a fine wrist watch from the agency staff.

Mr. Watts for many years was manager of the eastern railroad department at Chicago before being named general agent.

James S. Kemper, head of the Kemper insurance organization and president of Inter-American Council of Commerce and Production, has now returned from South America. At Petropolis, Brazil,

Selling Task

GENERAL LIABILITY

GLASS

BURGLARY AND ROBBERY

industrial commission, doctors, lawyers and friends of the adjusters are invited.

Mr. Kemper presided at the executive committee meeting of Inter-American Council.

While in South America Mr. Kemper had interviews with President Dutra and Foreign Minister Fernandez of Brazil, President Battle Berres and Foreign Minister Mateo Marquez Castro of Uruguay and Foreign Minister Bramuglia of Argentina. lia of Argentina.

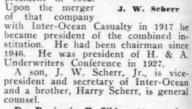
DEATHS

Willoughly S. Chesley, 80, retired former resident vice-president of Actna Casualty and District of Columbia attorney, died unexpectedly at his home at Washington. Mr. Chesley was first representative at Washington of Actna

J. W. Scherr, chairman of Inter-Ocean of Cincinnati, died unexpectedly at Holmes hospital

there Tuesday at age of 71. He was born at Maysville, W. Va., and be-came a clerk in the West Virginia department becoming deputy in 1900.
In 1910 he be-

came general manager of Consolidated Casualty of Louisville and president in 1912.



Dr. Benjamin E. Sibley, 73, member of the medical staff of Liberty Mutual for 30 years, died at Boston. He graduated from Wesleyan University in 1898 and from Harvard medical school in 1905. In addition to his connection with Liberty Mutual he was for some 30 and from Harvard medical school in 1905. In addition to his connection with Liberty Mutual he was for some 30 years on the medical staffs of Massa-chusetts Institute of Technology, Boston Elevated Railway, Boston "Globe" and the Boston division of Westinghouse Electric & Manufacturing Co.

Greek Cover Arranged

WASHINGTON-George Morrissey, War Department engineer corps insurance specialist, has returned from Europe where, he reports, all questions of policy concerning insurance under this government's rehabilitation program in Greece have been determined.

Contracts were let with Greek com-panies for public liability, principally auto, Mr. Morrissey says. Greek com-panies also will carry some compensa-tion coverage on Greek employes of rehabilitation agencies. In some areas of Greece, however, compensation is habilitation agencies. In some areas of Greece, however, compensation is placed with an agency of that government as part of social security.

Certain marine and public liability coverage is being placed with British companies, following Mr. Morrissey's stop-off in London.

Before policy questions were decided, e said, it was necessary to investigate Greek laws and practices

Ask N. J. Bus Self-Cover

New Jersey board of public utility commissioners has been requested by New Jersey Motor Bus Assn. to give serious consideration to proposed legislation for partial self-insurance up to maximum of \$2500 for liveries, taxicab U-Driv-It, long haul trucking risks and motor buses. According to the bus as-sociation this would tend to reduce incost, or keep it from getting her, would overcome the probsurance any higher, would overcome the prob-lem caused by the indifference or relac-tance of most insurers to carry but risks, would tend to reduce accidents.



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INSURANCE NEWS BY SECTIONS MIDDLE WESTERN STATES

U. of Ill. Insurance School Is Steadily Growing

When present plans for the insurance school of University of Illinois are completed, there will be nine insurance courses under the direction of Dr. Robert Mehr, director of the insurance de-partment in the college. Four courses now are operating.

now are operating.

One is the insurance law course in the law school under Prof. George Goble. Then there is the course in actuarial mathematics under Prof. Peters a course on social security under Prof. McNatt, and Dr. Mehr directs a fourth course on basic life insurance, the economics of insurance, property inthe economics of insurance, property in-

surance, etc.

Additional courses proposed are one on wills, estates and trusts in the business law department of the commerce school, with Prof. Dillayon in charge, and courses on advanced life insurance and casualty insurance, with Dr. Mehr

as leader.

In addition, the insurance department has initiated a series of weekly lectures in which authorities in the insurance m which authorities in the insurance business are drafted to give talks. Rob-ert Babbitt of Joyce & Co., Chicago, one of the early C.P.C.U. designation winners, Monday was lecturer on "Un-deswriting"

C. A. Cunningham to Agency

C. A. Cunningham has joined the Wilson-Weibling Co. agency of Youngstown to engage primarily in fire protection engineering and rate analyses. He graduated in fire protection engineering from Illinois Institute of Technology in 1934 with the highest grades. Since then he has been with the Ohio Inspection Bureau at Youngstown.

New Farmers Mutual Head

MINNEAPOLIS - Charles S. Laid-MINNEAPOLIS — Charles S. Laid-law, who has been executive vice-presi-dent of Minnesota Farmers Mutual, has been elected president to succeed his brother, Walter J. Laidlaw, who died re-cently. He also becomes president of Minnesota Farmers Mutual Casualty. Jay H. Laidlaw, another brother, has been named vice-president of both com-

panies.

C. S. Laidlaw is a member of the executive committee of the Insurance Federation of Minnesota, in which he has long been active.

Plan Columbus Expansion

COLUMBUS — Plans for expanding the service of the Columbus Insurance Board were discussed at a meeting here Monday night. The principal speaker was T. M. Gray, executive secretary of Ohio Assn. of Insurance Agents.

Kenna Hutchinson Speaker

Alpha H. Kenna, executive manager of the Kansas Assn. of Insurance Agents, will speak at the Dec. 9 luncheon meeting of the Hutchinson association.

Put \$5 Rule in Missouri

Under new rules of Missouri Inspection Bureau, the minimum and retained premium for fire and extended coverage premium for fire and extended coverage is \$5, and if a separate windstorm policy is placed with a fire policy on the same risk in one transaction, the combined minimum premium is \$5. Heretofore there has been a \$2 rule in Missouri. The \$5 rule is being gradually extended throughout the country. In most jurisdictions it has been \$3.

There is a rule that no additional premium shall be charged and no premium

of the property, or on account of any change in established rate when the additional or return premium does not

Call Minnesota Conference on Commission Issue

MINNEAPOLIS—Reduction of commissions will be one of the major topics taken up at a meeting here Dec. 5 of the executive committee and chairmen of standing committees of the Minnesota Assn. of Insurance Agents with presidents of regional boards. The conference will continue all day and may run over to the following day. It will be at the Radisson hotel here.

Most of the complaints so far are

Most of the complaints so far are coming from the larger cities.

Ohio Fire Loss \$300,000

Loss of about \$300,000 is estimated from a fire at the Continental Can Co. plant at Cambridge, O. The fire originated in the two-story office building spread to an attached factory building and seriously damaged machinery used for plastics manufacture. Cause is undetermined

determined.

The building loss is judged at \$200,-000 against insurance of \$390,000. Contents loss is estimated at \$75,000 with insurance of \$947,000. The business interruption loss will run about \$30,000, the insurance being \$196,000. Underwriters Adjusting is handling

Larson Heads Ia. Mutuals

DES MOINES—E. A. Larson of Red Oak was elected president of Iowa Assn. of Mutual Insurance Assns. at the annual meeting, succeeding W. P. Moeller, Rock Rapids.

Lester T. Jones, Des Moines, was named vice-president to succeed Mr. Larson, and Harry L. Gross, Des Moines, was reelected secretary-treasurer for the 17th year. He is secretary of Iowa Mutual Tornado. Mr. Moeller was named delegate to the 1948 national convention. convention.

The convention adopted a resolution asking Gov. Blue to appoint a fire safety committee to study fire loss causes and to set up a "practical" fire prevention program in the state.

Forming New Local Board

LANSING, MICH.—Steps toward organization of a local association in "downriver" Detroit area are anticipated at a meeting being held at Dearborn Inn Dec. 1 under sponsorship of the Dear-Dec. 1 under sponsorship of the Dearborn association. Around 100 agents are expected to attend. Howard Huttenlocher, Pontiac, president, Michigan association; Walter B. Cary, Detroit, state director and immediate past president, and Waldo O. Hildebrand, secretary-manager, will speak. George Karcher is president of the Dearborn local board and Robert Lapham is secretary and chairman of the meeting.

Du Page County Installation

Du Page County Installation
Du Page County (Ill.) Assn. of Insurance agents will hold its annual dinner
and installation of officers Dec. 8 at
Westward-Ho Country Club east of Elmhurst. Invitations have been sent to
company representatives and their ladies.
Reservations should be sent to J. J.
Schuch, secretary, at Elmhurst.

The Gene Strauss agency has been opened in the Dwight building, Kansas City, for all types of insurance including life.

PACIFIC COAST AND MOUNTAIN

Single State A Form Makes Bow on the Coast

SAN FRANCISCO — Pacific Fire Rating Bureau has now adopted single state reporting form A, which is very similar to the program that has been similar to the program that has been in effect throughout the rest of the country since 1929. The main difference is that the minimum deposit and retained premium is \$200 per account rather than \$100 per policy as in the

rather than \$100 per policy as in the other jurisdictions.

The bureau is retaining the old provisional amount form but with revisions. The deposit is 75% of the premium for the limit of liability on regular risks and 30% for seasonal risks. There is no coinsurance clause as there is in the provisional form and the premium is collected on the full values reported even though such values exceed the limits.

the limits.
Use of the provisional form has a gravated the capacity problem on the coast because there was no check on the selection of excessive limits. Under form A on the other hand the higher the limits, the higher the deposit premium. The old provisional amount form will

The old provisional amount form will now be known as single state coinsurance reporting form. A check on the selection of unnecessarily high limits is now provided in the form of an additional deposit premium charge if the limit of liability exceeds 125% of the highest value reported during the previous 12 months. The minimum deposit vious 12 months. The minimum deposit and retained premium is \$500 per ac-

Washington Hearing on Depreciation

SEATTLE — Commissioner Sullivan conducted a hearing on depreciation insurance which brought out suggestions from producers, company men and rat-

ing bureau officials.

Special Deputy Williams presided and commented that the department had no preconceived ideas about what should be promulgated. He said a set of rules governing this class would be issued within 30 days.

governing this class would be issued within 30 days.

J. K. Woolley, manager Washington Surveying & Rating Bureau said replacement insurance has been a controversial subject for many years and that under the old code the form was illegal. He said that recently issued rules calling for 100% coinsurance were sound. George W. Farnsworth, manager for Marsh & McLennan suggested the need for depreciation insurance on certain

for depreciation insurance on certain types of equipment which is subject to the same hazard as the building. Mr. the same hazard as the building. Mr. Williams pointed out that the new code limits depreciation cover to real prop-

Written as Endorsement Only

Written as Endorsement Only

Clayton Rychard of Byington, Rychard & Hurley, brought attention to the fact that the cover under rating bureau rules can be written only by endorsement to a regular fire policy. He indicated this would cause trouble, mentioning a case of an insured who after placing the regular fire insurance decided that he wanted depreciation insurance. If the company on the line declined to write the depreciation, the policy would have to be cancelled short rate and replaced with a company desiring to write depreciation.

W. D. Gulliford, General of Seattle, said that if separate contracts were

said that if separate contracts were used for the fire and depreciation cover-age there would be a possibility of the

assured being caught in the middle in a loss adjustment by reason of disagree-ment between the two carriers as to the

amount of the depreciation.

Eimer Solsness, Providence Washington, favored the use of the endorsement.

He said it makes little difference from a moral hazard standpoint when a com-

moral hazard standpoint when a company has fire only on a line and another company has depreciation.

Aubrey Wilton of Rhodes, Wilton & Barron said that rapidly increasing values make it difficult to apply the 100% average clause and asked why it would not be possible to have a stipulated value. Mr. Woolley said the stipulated value clause when used in Washington on other forms has produced unsatisfactory and unfair conditions and in-

value clause when used in washington on other forms has produced unsatisfactory and unfair conditions and increased the moral hazard.

Harry Ross, Marsh & McLennan, asked whether it would be permissible to have the replacement endorsement apply only to buildings where a fire policy covers blanket on buildings and equipment. Mr. Woolley answered that consideration would be given to this point, but that under the present rules it would be necessary to limit the coverage to the building and service equipment and to write a separate policy for other equipment and stock.

The question of writing depreciation in Lloyds was brought up and Mr. Williams said that rules applicable to this form would have to be issued first.

Fireman's Fund Rewards Institute Honor Students

The seven students who completed with honors the Insurance Institute of America examinations at San Francisco under the auspices of the Fire Underwriters Assn. of the Pacific, were presented checks by James F. Crafts, president of the Fireman's Fund, donor of the awards since 1932.

The three achieving 190% grades in

The three achieving 100% grades in the fire 11 course, received \$50 checks each, the first time three students have achieved a perfect score. They were Benjamin Barnette, North British; Nancy M. Real Travelers and B. C. Noble White jamin Barnette, North British; Nancy M.
Beal, Travelers, and R. C. Noble, Whitney & Baird. John S. Harlan, Security
of New Haven, received \$25 for 92.5%
in inland marine; A. Randall Biggs,
Employers Fire, \$25 for 87% in general
principles; Carroll F. Childs, North
America, \$25 for 83.75% in inland
marine and Jack F. Murphy, Whitney &
Baird, \$25 for 83% in ocean marine.

Washington Leaders Confer

SEATTLE — Washington local board presidents and the executive committee of Washington Assn. of Insurance Agents met at Seattle. F. W. Norgard, state national director, reported on the Far West Agents Conference and the Atlantic City convention of the

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National association. A. J. Peters, chair-National association. A. J. Peters, chairman of the contact committee, Issaquah, reported on the recent meeting with the Washington advisory committee. Harold N. Mann, Tacoma, chairman of the casualty contact committee, reported developments in connection with the expected filing of revised special casualty rating plans. H. H. Martin, Longview, chairman of the executive committee, had charge.

Founders F. & M. in Ore.

Founders Fire & Marine of Los Angeles has been licensed in Oregon. Development of business in Oregon for the present will be handled directly by the home office. Charles W. Sexton & Co., Portland, have been appointed agents

Since the first of the year the com-pany has entered Texas, Hawaii and Oregon and will continue to expand its territory on a conservative basis

Oakland Agents Get Reports

A report on the National and California conventions highlighted the luncheon meeting this week of the Oakland Assn. of Insurance Agents. Ray Laughery, past president and a director of the California association, gave the reports

National General Expands

National General of Winnipeg intends to expand into a Canadian-wide organi-zation, according to J. D. Killey, gen-eral manager. It has been licensed in eral manager. It has been licensed in Ontario and steps have been taken towards Dominion incorporation. President is Harry I. Price, who headed a group that purchased the company last

Harrigan Chief Underwriter

Elmer Harrigan has been promoted to nief underwriter for fire business in the San Francisco office of Phoenix Assurance.

President C. D. McVay of Ohio Farmers was a Los Angeles visitor last week.

New officers of the San Francisco In-surance Women's League are: President, Patricia Chism: vice-president, Lucille Wood; treasurer, Ruth Anderson, and secretary, Freda Dunbar. The group will hold its Christmas luncheon Dec. 6.

Insurance Women of Seattle will hold their annual bosses' night Dec. 9.

EAST

Mahoney Scores Legal Facade

BUFFALO—The New York legisla-ture, through a joint interim commit-tee, is studying whether any legislative steps are necessary to forestall federal control of insurance, State Senator Walcontrol of insurance, state Senator Waiter J. Mahoney, Republican of Buffalo, told a regional meeting of New York State Assn. of Insurance Agents here. Attendance at the meeting totaled 262. A dinner held in connection with

262. A diffiner field in conficeron with the meeting was sponsored by Buffalo Assn. of Fire Underwriters and New York state association.

To Hold Hearings Dec. 18

Mahoney said hearings are to be held at New York Dec. 18-19 by the joint legislative committee on insurance rates and regulations to determine whether it

and regulations to determine whether it is necessary to have a fair trade prac-tice law and whether anti-monopoly legislation should be enacted. Mahoney, who is chairman of the senate insurance committee, deplored the fact that some interests feel that the insurance agency system has out-lived its usefulness. lived its usefulness.

lived its usefulness.

The senator cited the failure of top insurance company executives to give legislative committees the benefit of their opinions. Instead of coming to hearings, these executives talk only through counsel, Senator Mahoney com-

plained. "It looks as though they were

trying to hide something," he added.

Henry O'Loughlin, state agent of
Phoenix of Hartford, stressed the ad-

vantages of the personal property floater in addressing the afternoon session.

Mr. O'Loughlin said the PPF produced over \$25 million in 1946. He counseled use of the deductible clause, especially as a means of extending the circle of prospects. Broaching the PPF leads to discussion of broader coverage and values and a larger volume of business is usually written.

New England Advisory Board Names Cowles Head

BOSTON—The New England Advisory Board of the New England Assns. of Insurance Agents at its annual meet-



EDWIN S. COWLES, JR.

ing here elected Edwin S. Cowles Jr., of Hartford, president; Howard A. Al-len, Burlington, Vt., vice-president and Edward S. Pike, Rutland, Vt., secretarytreasurer.

It was voted to hold the 1948 summer session at the Poland Spring House, Poland Spring, Me., June 17-18. The date of the 1949 summer meeting was fixed as June 16-17. Paul Jullien of Waterville, Me., will be chairman of the registration committee for the 1948 summer meeting. mer meeting.

Middlesex Agents Elect

PERTH AMBOY, N. J.—Miss Dag-nar Koed has been elected president of the Middlesex County Assn. of Insur-ance Agents, with Adolph Quadt as vice-president and Vernon Brown, secre-

Meyers Mercer Co. President

TRENTON, N. J. — New officers elected by the Mercer County Assn. of Insurance Agents are: President, Raymond M. Meyers; vice-president, Francis J. Tyrrell; secretary, S. S. W. Ackerman. President Meyers also is chairman of the executive committee. man. President Meyers also of the executive committee.

Brewster on N. J. Program

William H. Brewster, manager of the automobile department of National Bu-reau of Casualty Underwriters, will discuss changes in the standard automobile policy and problem of a market for taxis and long haul trucks at a meeting of Union County Agents Assn. at Colonia, N. J., Dec. 10.

Hudson County Party

The Hudson County Assn. of Insurance Agents will hold its Christmas party Dec. 16 at Jersey City.

Strickland Gillilan, Indiana humorist, was master of ceremonies at the dinner meeting of Insurance Club of Washing-

IN THE SOUTHERN STATES

Tenn. Agents Prepare to Oppose Commissioner's Countersignature Bill

NASHVILLE-In preparation for the NASHVILLE—In preparation for the fight that is certain to come in the next state legislature to pass a mandatory countersignature law requiring a 50% cut of the commission with the local agent, T. K. Robinson, Memphis, new president of the Tennessee Assn. of Insurance Agents, has announced a countersignature committee with twice the tersignature committee with twice the members usually named and including the new state vice-presidents and other representative local agents. This fol-lowed the announcement at the Knoxville convention by Commissioner Mc-Cormack that he was determined to seek enactment of the measure defeated in the 1947 legislature.

Agents Set Forth Position

In opposition to the commissioner's opinion that a mandatory division of premium on out-of-state business would benefit agents all over the state, particularly in the small towns, the agents as-sociation position is that, compelled to give 50% of the premium, out-of-state give 50% of the premium, out-of-state brokers and agencies would give all their business to a few large agencies and cut out the smaller agency entirely. They are opposed to any governmental regu-

are opposed to any governmental regu-lation of countersignature rates. C. M. Hunt, C. M. Hunt & Co., Nash-ville, was named chairman of this com-mittee, which includes Vice-presidents Clark Wade, Memphis; H. Phelps Smith, Nashville; John B. Bailey, Knox-ville, and seven other local agents from other sections of the state. Chairmen of other committees named

Chairmen of other committees named Chairmen of other committees named by President Robinson are: Finance, W. D. Pettigrew, Knoxville; casualty conference, Frank McGalughon, Kingsport; fire conference, C. M. Hunt; public relations, J. W. Oliphant, Chattanooga, membership, Clark Wade; legislative, H. Phelps Smith; farm and small town agents, James A. Donoho, Hartsville, and education, Bruckner Chase, Memphis.

Gallagher, Gary Virginia Mid-Year Meeting Speakers

RICHMOND — The program for the midyear meeting of Virginia Assn. of Insurance Agents here Dec. 5 has been completed. Principal speakers will be Eugene F. Gallagher, manager special service department Standard of Detroit group, and Congressman J. Vaughan of the third Virginia district. Gary of the third Virginia district. Mr. Gallagher will speak in the afternoon on "The Insurance Market Situation." Mr. Gary, the luncheon speaker, is to tell of conditions in Europe as he saw them on

recent trip.

The Richmond association will be The Richmond association will be host at a social hour preceding the banquet. Mrs. John E. Woodward and Warren F. Curtis are co-chairmen of the ladies' committee. In view of the fact that the Virginia legislature meets in January, the report of the legislative committee is expected to be of especial interest.

Dean Loman Presents Diplomas to Five Texans

DALLAS—City, county and school officials, company executives and field men joined in honoring the five Texas men who received their C.P.C.U. designation men who received their C.P.C.U. designation from Dean Harry J. Loman of the American Institute for Property & Liability Underwriters at an educational session of Dallas Insurance Agents Assn. The designees were: W. H. A. Terry, Fort Worth; Frederick A. Rhodes, Jr., Houston; Tom Chatfield, Alphonso Ragland, Jr., and C. M. Patrick, Dallas.

Lyman E. King, Minnesota Mutual Life, president Dallas chapter of Chartered Life Underwriters, gave an inspirational address. He said that since

Dallas in two years has six men holding the C.P.C.U. designation and Texas two more, while Dallas has only 33 C.L.U.s after several years, the fire and casualty men soon will outrank the life men in numbers holding the coveted designa-

outhwest C.P.C.U. chapter, of which Hal A. Gulledge, Dallas, is president, entertained Dean Loman at a dinner and each member of the chapter accepted sponsorship of a group of Dallas men and women now preparing for the C.P.C.U. examinations.

Ira P. Jones Honored

Ira P. Jones was honored on his 25th anniversary as Chattanooga manager of Tennessee Inspection Bureau by Insurance Exchange of Chattanooga. He was presented with a golf bag and set of clubs on behalf of the exchange by of clubs on behalf of the exchange by W. S. Keese, Jr., program chairman. Others who spoke in appreciation of Mr. Jones were Michael Quinn, manager of Chattanooga Fire Prevention Bureau: Walter Greenspan, president of the exchange; J. H. Norton, manager Tennessee Inspection Bureau: W. A. Morring, Chattanooga Chamber of Commerce; Harry Avery of the National Board and N. H. Grady, veteran local agent.

La. Mutual Agents Elect

P. L. Thibaut, Jr., New Orleans, is the new president of the Louisiana Assn. Mutual Insurance Agents. W. S. Vincent, Jr., New Orleans, and B. H. Rainwater, Jr., Ruston, are vice-presidents; Arthur G. Levy, New Orleans, secretary. secretary.

Plan Second Clinic Series

Another series of insurance clinics sponsored by the Kentucky-Tennessee 1752 club will be conducted in January at Owensboro, Louisville and Lexing-

ton.
The first series were held at Henderson, Louisville and Lexington, and field-men participating were: R. L. Kirby, Lumbermens Mutual Fire; J. Howard Rohrer, Guarantee Mutual Fire; B. B. Kirby, Northwestern Mutual Fire; J. C. Barber, F. C. Cull, and Jack Grain, State Auto Mutual of Columbus.

Hear N.A.I. A. Meet Reports

The San Antonio Insurance Exchange heard reports from President Newton Jackson, Secretary F. F. Ludolph and Travis Bailey on the N.A.I.A. conven-

Mr. Ludolph also spoke of the value of the work of the insurance women and their conventions. President Jackson urged that the agents encourage their employes to become members of the women's organization.

L. C. Beery was appointed to ascertain how many agents are interested in the C.P.C.U. courses.

N. C. Cities Can Tax Agents

RALEIGH, N. C.—Attorney Gen ral McMullan of North Carolina ha ruled that cities and towns may impose a license tax on individual insurance agents but not on their companies, and that counties cannot impose any tax.

Kephart in Va.-N.C. Field

Central Manufacturers Mutual has appointed Herbert D. Kephart as special agent for Virginia and North Carolina. He joined Central in 1941 after attending University of Alabama and Alabama Polytechnic Institute. After three years service in the army from 1942 to 1945 he returned to Central as an underwriter.

The November meeting of the Issurance Women's Club of Okiahoma Club took the form of an evening smortly bord. The arrangements committee wheated by Madeline Blackman. Lundrons will be resumed Dec. 3.

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f the Insurlahoma City ng smorgammittee was nan. LunchDr. John McLoughlin Father of Oregon

No EASY TASK awaited John McLoughlin in 1824 when he assumed his duties as manager of the Hudson's Bay Company interests from the Rockies to the Pacific, from Russian Alaska to Spanish California. During twenty-two successful years the Quebec-born trader was the hope and support of Oregon country pioneers, king of a thousand Canadian trappers and autocrat of a hundred thousand Indians.

The second quarter of the last century was critical in the history of this vast wilderness, and McLoughlin became its outstanding figure. Despite orders to subdue the Indians while still inducing them to collect furs and to keep the land wild for fur-bearing animals by discouraging agri-



The bouse is now a treasury of early Oregon relics

cultural settlers, his conscience and humanity won out; it was his generosity to American immigrants reaching his territory in a destitute condition that earned him his recognition as "Father of Oregon." His encouragement of agriculture and the exportation of lumber, salmon and flour were of great commercial importance at a

time when the country was looked upon merely as a good trapping ground. However, his superior's complaints against this policy eventually culminated in an order to give no further aid to settlers. In 1846 McLoughlin resigned rather than obey and moved to Oregon City where he became an American citizen in 1851.

His home there, probably designed by

Dr. McLoughlin himself in a colonial style adapted to pioneer living conditions, was built largely of lumber hand-hewn on the spot. The doors and windows were brought around Cape Horn from the East. The furniture, silver and china came

from England. This patriarch of the Northwest was an imposing personality, 6 feet 4 inches tall, with long white locks that had earned



The dining room furniture was used by McLoughlin at Fort Vancouver

him the Indian name of "White Eagle." In his new home he maintained a high standard of living for the times and more than once reproved the colonists, "Your manners, before ladies," when hats were not removed in the presence of his part Indian wife.

His house now has been moved from its original site to a bluff above the river on land McLoughlin gave the city for a public park. It is administered by the McLoughlin Memorial Association, the Municipality of Oregon City and the National Park Service.

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